



House of Commons  
Committee of Public Accounts

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# The Office of the Deputy Prime Minister: Tackling homelessness

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Thirteenth Report of  
Session 2005–06

*Report, together with formal minutes,  
oral and written evidence*

*Ordered by The House of Commons  
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## The Committee of Public Accounts

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### Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Emma Sawyer (Committee Assistant), Ronnie Jefferson (Secretary), and Luke Robinson (Media Officer).

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## Summary

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Homelessness can have a profound impact on the health, welfare and employment prospects of those who experience it. The life expectancy of those living rough on the streets is only 42 years. Children living in insecure, shared or temporary accommodation whilst waiting for a settled home often have their schooling disrupted and are more prone to behavioural problems.

Around £1 billion per year is spent on measures to prevent and deal with homelessness. In March 2002 the Government published "*More Than A Roof*", which identified the need for new and more coordinated action over a period of years and the development of services that would help people before they found themselves in a crisis situation.

A separate Homelessness Directorate within the Office of the Deputy Prime Minister was established in 2002 to provide a new focus across government for policy development and coordination on homelessness issues.

The Directorate's target setting, supported by financial support and advice to local authorities, has helped to bring about significant alleviation of the worst consequences of homelessness. The amount of rough sleeping is less than one third of the levels six years ago. And families with children are now only rarely accommodated in Bed and Breakfasts. Effort now needs to turn to ensuring there is sufficient support to prevent hostel residents going back out on the streets and that local authority procedures are improved to reduce the use of temporary accommodation.

The Directorate is trialling many promising approaches for preventing homelessness amongst different risk groups. But the effectiveness of these efforts is compromised by the lack of meaningful data on the full range of homelessness needs. Official statistics provide only limited information on the circumstances of those in crisis and for whom local authorities have a statutory duty to house. More needs to be known about those in inadequate accommodation and the triggers that cause them to seek local authority help.

The Homelessness Act 2002 extended the duty local authorities have to give assistance and advice to those seeking a home as well as extending the categories of vulnerable people the local authority must house. The Act also required local authorities to carry out a multi-agency homelessness review and develop and publish strategies for dealing with homelessness. These strategies contain a number of common and fundamental weaknesses which cast doubt on the ability of many local authorities to identify and deliver desired improvements in homelessness services.

Homelessness is inevitably influenced by the availability of affordable housing. Despite the additional investment being made, pressure on affordable housing in regions such as London and the South East is likely to continue for a number of years. ODPM should obtain assurance that homeless households are obtaining their fair share of affordable housing and that housing associations are not avoiding their obligations to local authorities

to provide it.

On the basis of a Report from the Comptroller and Auditor General<sup>1</sup> we took evidence from the Office of the Deputy Prime Minister on levels and causes of homelessness, progress in alleviating the consequences of homelessness and the development of a more effective range of services to prevent homelessness in the first place.

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<sup>1</sup> C&AG's Report, *More than a roof: progress in tackling homelessness* (HC 286, Session 2004–05)

## Conclusions and recommendations

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- 1. As far back as 1991 the Committee called for improved information on homelessness but official statistics remain inadequate and there is a paucity of reliable data.** In developing strategies to help the homeless only 50% of local authorities considered the full range of homeless people in their areas. Working with local authorities and voluntary organisations the Department needs to undertake regular surveys of homeless households focusing on the underlying reasons why they became homeless and track over time the long term success of support provided to help them.
- 2. Registered Social Landlords' responsibilities for accommodating homeless households may need to be clarified.** Local Authorities enter into agreements with Registered Social Landlords (housing associations) to provide social housing but some are reluctant to accommodate homeless households. The full extent of this problem is not known and ODPM needs to establish with Local Authorities how widespread it is. If necessary, formal agreements with Registered Social Landlords need to be strengthened to make their responsibilities much clearer. Compliance with these agreements should be routinely monitored and communicated to ODPM.
- 3. Reducing the number of families living in Bed and Breakfast accommodation from 6,700 in March 2002 to 28 families in March 2004 was a significant achievement, but some 20% of authorities consider that the quality of accommodation has not improved in recent years.** It is important that homeless households are not moved from one unsatisfactory form of accommodation to another. ODPM is strengthening the statutory standards that apply to temporary accommodation but local authorities are responsible for inspecting and enforcing them. ODPM needs to obtain better assurance on the quality of temporary accommodation by collecting more systematic intelligence on the frequency and results of inspections, and apply pressure for improvements by promoting the new powers of local authorities under the 2004 Housing Act.
- 4. While temporary accommodation such as rented housing is better than bed and breakfast, it is only a short term solution, and the Government has a target to reduce the number of families living in this way from 100,000 to 50,000 by 2010.** Working with the Housing Corporation and local authorities, ODPM needs to promote more actively longer term innovative solutions that are proving successful. These include setting up on-line clearing houses to provide free quick access to private sector tenancies, rent deposit schemes to help families purchase their own home, loft conversion schemes to increase the capacity of existing accommodation and adjusting the eligibility requirements to be included on local authorities' main housing registers.
- 5. Half of the 700 people housed in rough sleepers' hostels in one London Borough abandoned their accommodation or were evicted.** This pattern of repeat homelessness is not uncommon. Local authorities that have been most successful in tackling rough sleeping and rehabilitating more people back into normal life have put in place a range of integrated support which needs to be more widely replicated.

This typically includes having sufficient move-on accommodation together with specialist units, out reach workers, support for welfare and mental health, skills training and help in finding employment.

6. **All 354 local authorities in England have produced strategies to tackle homelessness in their areas but only 40% have identified the resources needed to fund their strategy or considered the full range of funding opportunities.** 80% of local authorities consider that as a result the priority given to homelessness has increased and better support is now available but very few have set specific targets to monitor progress. Lack of measurable targets is likely to make it difficult to track progress in tackling homelessness locally.
7. **The number of black and minority ethnic households accepted as being homeless and in priority need is three times as high as might be expected.** In drawing up their strategies to tackle homelessness only one in twelve local authorities had consulted groups representing black and ethnic minorities. Homelessness policies that are developed by officials without consulting those intended to benefit are much more likely to fail. Reliable communication networks that are easily accessible would give minority groups the confidence that their needs and concerns can be heard and addressed.
8. **More priority needs to be given to preventing homelessness if more expensive remedial action is to be minimised in the future.** While over 80% of local authorities considered that the requirement to draw up strategies had led them to improve their approach to preventing homelessness, only 45% of voluntary and community sector organisations agreed. A key barrier to better prevention policies is a lack of definitive evidence about what works cost effectively in different local circumstances. ODPM has commissioned an evaluation of best practice, and the results need to be extensively disseminated including through a dedicated website for practitioners.

# 1 Understanding the causes of homelessness

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1. Levels of homelessness are influenced by a variety of factors including the state of the economy, social and personal factors including family and relationship breakdown and levels of supply of affordable housing. When the Committee of Public Accounts last examined homelessness, in 1991, it called for better research on homelessness to inform national policy development.<sup>2</sup> Fourteen years on the need for better quantitative data on the levels, patterns and causes of homelessness is just as great.<sup>3</sup>

2. Official statistics on statutory homelessness are derived from forms filled in by local authorities. They are designed to monitor local authority decisions and actions under the homelessness legislation, rather than to provide information on homeless households. Reliable information is held only on those who approach local authorities for help and who are accepted as being unintentionally homeless and in priority need. Priority need groups include households with children, those who are vulnerable as a result of age, disability or poor health, and people fleeing violence – the “statutorily homeless”.

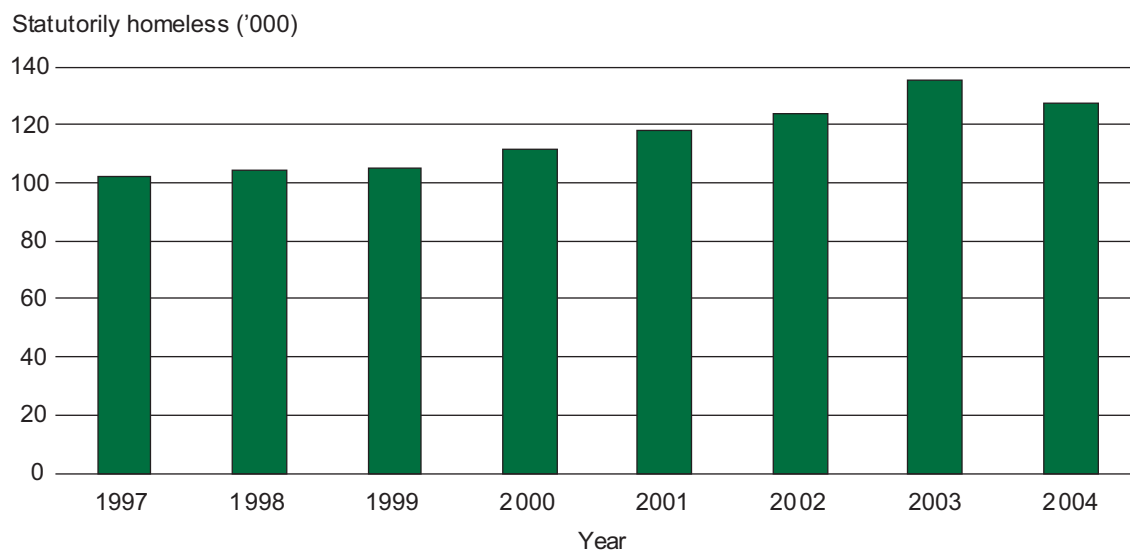
3. ODPM publish a measure each quarter of the “flow” of new cases of households accepted by local authorities as statutorily homeless. These statistics show that almost 128,000 households were accepted during 2004.<sup>4</sup> (**Figure 1**). This figure is slightly lower than the total for 2003, although it is still higher than in previous years, and around 25% higher than the figure for 1997.

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2 22<sup>nd</sup> Report from the Committee of Public Accounts, *Homelessness* (HC 477, Session 1990–91)

3 C&AG’s Report, para 32

4 Ev 17

**Figure 1 : Number of statutorily homeless households 1997–2004**

Source: National Audit Office and ODPM

4. Local authorities record the two most recent or pressing causes of homelessness of those they accept as statutorily homeless such as parents no longer being willing to provide accommodation or the break-down of relationships. But this data may not reflect the underlying causes of homelessness. For many people homelessness is a one-off event. But others can find themselves in a cycle of social or financial difficulty which leaves them without a settled home on several occasions.<sup>5</sup>

5. The official data is also problematic in explaining the underlying causes of changes in patterns of homelessness. The homelessness legislation and the way it is implemented by different local authorities can have an impact. For example, the North East and Yorkshire and Humber region experienced one of the highest percentage increases in homelessness acceptances in recent years, nearly doubling between 1999 and 2003.<sup>6</sup> One of the factors that ODPM considered might account for this rise was the greater capacity of local authorities in these regions to take on responsibility for housing vulnerable 16 and 17 year olds following their addition to the priority needs categories in 2002.<sup>7</sup>

6. Local authorities can only assess a person's housing status and take the necessary action if that person approaches them for assistance. They do not need to house those who are not in priority need. Many homeless seek help from the voluntary and community sector. Others stay where they are or go to stay with family and friends. The Barker Review of Housing Supply estimated there were some 154,000 households in stop gap

5 C&AG's Report, paras 1.12–1.13

6 *ibid*, para 1.16

7 Qq 38–39; Ev 16–17

accommodation, i.e. staying with friends and families.<sup>8</sup> ODPM told us there were no reliable data on the “hidden homeless”.<sup>9</sup>

7. Homelessness is inevitably influenced by the availability of housing and affordable housing in particular. Some 19% of England’s 20 million households live in social housing.<sup>10</sup> The Barker Review of Housing Supply noted that the number of houses for social rent built in the United Kingdom fell from around 42,700 per year in 1994–95 to around 21,000 in 2002–03.<sup>11</sup> Availability has also been affected by the sale of social rented property, which has accelerated quite markedly over the last three or four years. ODPM considered that around 22,000 potential re-lettings of social housing units would be removed each year if annual Right-to-Buy sales remained in the region of 70–75,000.<sup>12</sup>

8. The Barker Review of Housing Supply noted that whilst there had been a considerable increase in spending on social housing (from £800 million in 2001–02 to over £1.4 billion in 2003–04) rising land prices and the need to improve existing stock meant that the rate of new supply had continued to decline. It had concluded that the number of new social and affordable homes would have to rise by at least 17,000 per year in order just to meet the flow of new needy households.<sup>13</sup>

9. The 2004 Spending Review provided for an increase in expenditure expected to deliver an extra 10,000 social rented homes by 2007–08. Further expenditure over the next three years is expected to lead to the building of 75,000 new social housing units and 40,000 subsidised low cost homes, as part of a wider programme of measures to meet new and existing housing need, including delivering 1.1 million new homes in the wider South East by 2016.<sup>14</sup>

10. Delays have been encountered in delivering new housing units because of capacity constraints and the need to identify where supply can best be located to meet demand. Increasing social housing provision should be managed in a staged way, in order to balance capacity to deliver with value for money.<sup>15</sup> Pressure on social housing and subsidised affordable housing is likely to continue at least into the medium term.

11. One of the impacts of the shortage of affordable housing especially in London and the South East has been the use of temporary accommodation to house those in priority need whilst they wait for the local authority to find them a settled home. The number of households in temporary accommodation increased by almost two and a half times between 1997 and 2004 – from around 40,000 to over 100,000. The use of temporary accommodation is heavily concentrated in regions that experience high levels of general

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8 C&AG’s Report, Figure 7

9 Qq 56, 72

10 C&AG’s Report, para 10

11 *ibid*, para 1.5

12 Ev 19

13 C&AG’s Report, para 1.7

14 Ev 19

15 *ibid*

housing demand. London and the South East regions, for example, account for almost 75% of all households in temporary accommodation.<sup>16</sup>

12. ODPM's five-year plan "Sustainable Communities: Homes for All" includes the aim of halving the number of households in insecure temporary accommodation by 2010. But many local authorities have entered into long-term leasing arrangements with private sector landlords for temporary accommodation as part of the drive to move families out of Bed and Breakfast accommodation. If such arrangements are non-negotiable, local authorities will find it more difficult to make significant moves away from the use of temporary accommodation.<sup>17</sup>

13. In an increasing number of areas, local authority housing departments retain strategic responsibility for meeting housing need but social housing is provided and managed by Registered Social Landlords (housing associations) or Arm's Length Management Organisations. Some authorities told the National Audit Office that such bodies at times refuse to provide settled homes to homeless households.<sup>18</sup> ODPM needs to establish how widespread this problem is.

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16 C&AG's Report, Figures 11–12

17 Q 7

18 C&AG's Report, paras 3.28–3.30

## 2 Alleviating homelessness

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14. In 2002 the Homelessness Directorate established targets aimed at alleviating two of the most extreme symptoms of homelessness. They were intended to reduce the level of rough sleeping and to address the exposure of children to Bed and Breakfast accommodation, which is often of a poor standard and may involve sharing facilities. The targets were:

- to sustain levels of rough sleeping that are two thirds below the levels recorded in 1998;
- that by March 2004, local authorities will ensure that no homeless family with children has to live in a Bed and Breakfast hotel, except in an emergency, and then for no longer than for six weeks.

15. Through better identification and co-ordinated support of vulnerable adults, significant progress has been made in reducing the levels of rough sleeping. Local authorities produce official data on rough sleepers by making an annual count or estimate of people sleeping on the street. The number of rough sleepers recorded in this way has fallen nationally by over 70% between 1998 and 2004 to just over 500.<sup>19</sup> Research suggests that the number of people sleeping rough over the course of a year may be ten times the number on a single night. London, in particular, continues to attract a relatively large number of rough sleepers and the target of a two-thirds reduction has not yet been achieved.<sup>20</sup>

16. Since rough sleepers often have complex problems, they are especially likely to fall into a pattern of repeat homelessness. Of the 700 people who moved on from rough sleeping hostels in Westminster, half left as an eviction, abandonment or by their own arrangements.<sup>21</sup> Rough sleepers need help to address their most pressing initial problems and then access “move on” accommodation (hostels providing appropriate levels of support, and later perhaps self-contained accommodation with less support) to help their rehabilitation back to a more settled life. For the hostel improvement programme to be a success, it needs to encourage a greater proportion of hostel residents to stay the course and move on in a structured way.

17. Reducing the number of families living in Bed and Breakfast accommodation from 6,700 in March 2002 to 28 families in March 2004 was a significant achievement.<sup>22</sup> On 1 April 2004, legislation came into force which enshrined the Bed and Breakfast target in law, and allowed families to take legal action against their local authority if they are placed in Bed and Breakfast accommodation beyond the six-week limit.

18. Bed and Breakfast accommodation is an expensive option and total savings achieved by local authorities using alternatives could be around £40–50 million. Targeted funding from

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19 C&AG's Report, Figure 20

20 *ibid*, para 2.30

21 *ibid*, para 2.38

22 *ibid*, para 2.6; Q 8

the Homelessness Directorate allowed local authorities to try out new approaches and to mainstream them where successful.<sup>23</sup> Such “investment to save” represents good value for money. ODPM told us that 82 local authorities had subsequently established “invest to save” budgets with an average value of £143,000 per authority.<sup>24</sup> ODPM needs to promote the innovative solutions identified by the National Audit Office such as on-line clearing houses to provide free quick access to private sector tenancies, rent deposit schemes, loft conversion schemes to provide accommodation for larger families and finding private rented accommodation on a two year lease as an alternative to statutory temporary accommodation.<sup>25</sup>

19. It is important that homeless people are not moved out of one unsatisfactory form of temporary accommodation into another. Whilst in general the alternatives to Bed and Breakfast are better, standards are still variable. Some 20% of local authorities surveyed by the National Audit Office consider that the quality of accommodation had not improved in recent years.<sup>26</sup> The National Audit Office found one bedroom flats being used as self contained hostels for families of four and a family hostel in which cooking facilities, three beds and living space were contained in a single room.<sup>27</sup>

20. Statutory standards apply to all temporary accommodation used, and there is guidance on how to ensure that accommodation is suitable for the households placed in it. ODPM has some work in hand to strengthen the statutory guidance, to cover such issues as light and minimum space requirements.<sup>28</sup> However, no assurance is provided centrally on the quality of accommodation used, and not all local authorities in London carry out enforcement action as regularly as they should.<sup>29</sup>

21. The Housing Act 2004 introduced mandatory licensing for some types of houses in multiple occupation. This legislation allows local authorities to have much more influence over the quality of private rented sector lettings. ODPM accepted that it needed to promote the Act more generally across the country, and especially in areas where local authorities have not felt that they had a homelessness problem.<sup>30</sup>

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23 C&AG’s Report, para 2.14

24 Ev 19

25 C&AG’s Report, Case Examples 11–13

26 *ibid*, para 2.20

27 *ibid*, paras 2.20, 2.24

28 Q 11

29 C&AG’s Report, para 2.22

30 Qq 54–55

## 3 Preventing homelessness

22. Creating a Homelessness Directorate within ODPM has provided a clearer central government focus for policy development and coordination on homelessness issues. The Homelessness Directorate has a number of priority areas for future improved performance. It wishes to encourage more responsive and co-ordinated approaches to homelessness from local authorities and other agencies, to prevent people becoming homeless in the first place. **Figure 2** sets out some key preventative approaches.

**Figure 2 : How homelessness can be prevented**

<b>Cause:</b>	<b>Parents, relatives or friends not being able or willing to provide accommodation</b>
<b>Action:</b>	Mediation services, usually contracted out by local authority to, for example, Relate.
<b>Cause:</b>	<b>Relationship breakdown, including domestic violence</b>
<b>Action:</b>	'Sanctuary' schemes, which allow domestic violence victims to remain in their homes once security measures are in place.
<b>Cause:</b>	<b>End of assured shorthold tenancy</b>
<b>Action:</b>	Housing advice. Rent deposit or bond schemes to encourage landlords to let to potentially homeless people. Landlord-tenant mediation services, to resolve disputes about behaviour or repairs.
<b>Cause:</b>	<b>Mortgage and rent arrears</b>
<b>Action:</b>	Debt counselling. Advocacy services in magistrates' court. Fast tracking housing benefit claims.
<b>Cause:</b>	<b>Person ill-equipped to sustain a tenancy</b>
<b>Action:</b>	Advice and support under the Supporting People programme for vulnerable people at risk of homelessness, for example improving budgeting and "life" skills.
<b>Cause:</b>	<b>Lack of information</b>
<b>Action:</b>	Early and proactive intervention from local authority homelessness services to discuss options and offer assistance and advice.

Source: National Audit Office

23. Through its engagement with departments and agencies, the homelessness Directorate has encouraged a number of promising initiatives. ODPM told us for example about outreach work along with family mediation services aimed at stopping children running away from home, and the provision of a housing advice centre for ex-servicemen at Catterick Barracks.<sup>31</sup> But there are still some shortcomings, for example in liaison with the Department of Health.<sup>32</sup>

31 Qq 51, 116; Ev 17

32 C&AG's Report, para 3.18

24. ODPM distributes Supporting People funds of over £350 million which are earmarked to enable local authorities to provide support for those whom might otherwise find it difficult to keep a home. The money enables local authorities to plan, commission and provide services to help vulnerable people live independently in their homes. In 2003, an independent review found wide variations in the costs of services being provided by different local authorities, and recommended that efficiency savings could be made. ODPM is working with the Audit Commission to establish where there are mis-matches between local need and packages of funding.<sup>33</sup>

25. The Homelessness Directorate required local authorities to review homelessness issues in their area and produce a strategy to address them by July 2003. The aim was to encourage a more comprehensive approach, promoting prevention over traditional responses and demanding an overview of future needs. 80% of local authorities consider that as a result the priority given to homelessness has increased and better support is now available. But an independent review of the strategies found a number of common and fundamental weaknesses.<sup>34</sup> Only 50% of local authorities considered the full range of homeless people in their areas. Very few authorities have set specific targets to monitor progress and 40% have not identified the resources needed to fund their strategy or considered the full range of funding opportunities.<sup>35</sup>

26. The lack of involvement of Social Service Departments in drawing up many of the strategies is surprising given the statutory requirement on them to co-operate with local housing authorities, and the key role they have to play in providing an integrated service to the homeless. ODPM told us they have taken steps to strengthen the linkages, for example through sponsoring more effective joint working in dealing with homeless 16 and 17-year olds.<sup>36</sup>

27. Only one in twelve authorities had consulted black and minority ethnic groups in drawing up their strategies. ODPM told us that across England as a whole, the number of non-white households accepted as being homeless and in priority need is three times as high as would be expected. ODPM has commissioned external research to examine this phenomenon, and expects to publish good practice guidance on diversity of housing provision.<sup>37</sup>

28. Three quarters of local authorities agree that they receive better assistance and advice in tackling homelessness than they did before the Homelessness Directorate was created. The review of strategies showed that few local authorities had been able to evaluate the success or otherwise of their existing services and initiatives.<sup>38</sup> Local authorities need better evidence-based guidance on which preventative approaches work if they are to achieve

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33 C&AG's Report, paras 3.19–3.21

34 *ibid*, Figure 29

35 *ibid*, Figure 29

36 Qq 110–111, Ev 18

37 Qq 131–134

38 C&AG's Report, para 3.47

more positive changes in their services. ODPM accepted the need to work with local authorities to ensure that good practice examples become more widespread as strategies are reviewed and renewed.<sup>39</sup>

## Formal minutes

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**Monday 7 November 2005**

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Kitty Ussher

Mr Greg Clark

Mr Alan Williams

Draft Report (The Office of the Deputy Prime Minister: Tackling homelessness), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 28 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Thirteenth Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

*Ordered*, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

[Adjourned until Wednesday 9 November at 3.30 pm]

## Witnesses

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**Monday 7 March 2005**

*Page*

**Dame Mavis McDonald DCB, Ms Terrie Alafat, and Mr Neil O'Connor**, Office of the Deputy Prime Minister

Ev 1

## List of written evidence

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National Audit Office

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# Oral evidence

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## Taken before the Committee of Public Accounts

on Monday 7 March 2005

Members present:

Mr Edward Leigh, in the Chair

Mr David Curry  
Mr Brian Jenkins  
Jim Sheridan

Jon Trickett  
Mr Alan Williams

**Sir John Bourn KCB**, Comptroller and Auditor General, and **Mr David Corner**, National Audit Office, further examined.

**Ms Paula Diggle**, Second Treasury Officer of Accounts, HM Treasury, further examined.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

#### OFFICE OF THE DEPUTY PRIME MINISTER: MORE THAN A ROOF: PROGRESS IN TACKLING HOMELESSNESS [HC 286]

#### Examination of Witnesses

*Witnesses:* **Dame Mavis McDonald**, DCB, Permanent Secretary, **Ms Terrie Alafat**, Director, Homelessness and Housing Support Directorate, and **Mr Neil O'Connor**, Divisional Manager, Homelessness Policy and Legislation Division, examined.

**Q1 Chairman:** Good afternoon. Welcome to the Committee of Public Accounts, where today we are looking at the subject of helping the homeless and work of the Homelessness and Housing Support Directorate. We are joined once again by Dame Mavis McDonald, who is the Permanent Secretary at the Office of the Deputy Prime Minister. Would you like to introduce your colleagues?

**Dame Mavis McDonald:** On my right is Terrie Alafat, who is the Head of the Directorate responsible for homelessness and housing support, and on my left is Neil O'Connor, head of the division that is responsible for the Homelessness Policy and Legislation.

**Q2 Chairman:** Thank you, Dame Mavis. You wrote to me on 25 February about our hearing. I will refer to that letter so that we are completely up to date. Am I right in saying that the Government's own review for homelessness, that is the Barker Review, has told us that 400,000 new homes are needed to deal with homelessness?

**Dame Mavis McDonald:** The table, which is from the Barker Review in the NAO report, sets out Kate Barker's own view of housing need as a whole; it is not necessarily homelessness. It draws on earlier work that Alan Holmans had carried out, and it is based on a series of estimates, in particular those for what are traditionally called "hidden homeless" and some of the data on hostels. It is a reasonable estimate.

**Q3 Chairman:** So the estimate of 400,000 is right. You are happy with that estimate, are you?

**Dame Mavis McDonald:** I am not saying it is right; I am saying it is reasonable methodology.

**Q4 Chairman:** That was the estimate given by Barker. In *Homes for All* the target figure you published there, I think I am right in saying give the letter you sent to us, is 75,000 by 2008. Is that right?

**Dame Mavis McDonald:** That is 75,000 new social lettings, new social buildings, plus the report covers an additional 40,000, which are for key workers and other forms of shared equity, shared ownership—

**Q5 Chairman:** But you see the point I am making. Your own review identifies the shortfall—this is the Barker Review—of 400,000, but the target that you are setting, which we may not meet, is 75,000. Is that not a massive shortfall?

**Dame Mavis McDonald:** I think it would be a shortfall if you were looking simply at some of the figures in our three-year strategy over time, and the Government's programme as set out in *Homes for All* takes you very close to Kate Barker's annual figures for social housing. One of the things, which I qualified in my first answer, about the Kate Barker estimates is that nobody has got a very reliable figure for what are called hidden homeless; that is those people who are at home who might want to set up house on their own, but that could include people who potentially could buy in the market if the market changes who might not be able to at the moment; it is not necessarily those just those who

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would need help into social rented accommodation; it can cover the whole spectrum of market opportunities.

**Q6 Chairman:** At the moment we have 100,000 people in temporary accommodation. Do you agree with that?

**Dame Mavis McDonald:** Yes.

**Q7 Chairman:** In *Homes for All*, which you refer to in your letter, you aim to halve the number of temporary accommodation by 2010. But it is right, is it, that some local authorities like Lambeth have made leasing arrangements that last for a number of years, and they might have difficulty in breaking these arrangements? That might have an impact on your ability to meet that target.

**Dame Mavis McDonald:** We have a number of thoughts about how we might meet that target. Some of it obviously includes re-visiting and restructuring the nature of those leases, if landlords are willing to do so; and we do have some examples of where, following the bed and breakfast initiative, local authorities have been able to renegotiate leases that were very short term into something much longer term, which they can use in a much more flexible way.

**Q8 Chairman:** Let us look again at figure 16 in the Comptroller General's Report, on page 40, which shows the progress that you made. You will see that by March 2004 you had almost conquered this problem. There were very few families with children in bed and breakfast, and there were virtually none in bed and breakfast accommodation for over six weeks. However, you see the figures starting to rise. I have been told that one of the reasons for this is that in the new statutory framework, which is supposed to make it pretty well illegal for families to be put into bed and breakfast accommodation, there are various exemptions that local authorities can apply. They are using those exemptions, and that is why these numbers are creeping up again. Is that right?

**Dame Mavis McDonald:** Yes. We do not necessarily expect them to continue to rise, though. We are monitoring them very closely ourselves and we are hopeful that when the next year-on-year figures appear very shortly they will show those figures coming down. The exemptions were introduced at consultation with local authorities, who were looking for some practical leeway. Case example 2 on page 41 of the Report shows for example the kind of circumstance which in the interests of the family the local authority took the judgment that it was more appropriate to keep them where they were for a little longer rather than meet the absolute deadline of six weeks.

**Q9 Chairman:** But you see the point I am making.

**Dame Mavis McDonald:** Yes.

**Q10 Chairman:** The statutory framework was supposed to make it virtually illegal for this to happen, and in fact made it even worse.

**Dame Mavis McDonald:** I think the statutory framework gives much more rights to those who are in bed and breakfast accommodation than was there previously, and increases the incentive on local authorities to work with those families to work out what the best option is; so one would not envisage lots of exemptions being put in place if there had not been a discussion with those concerned about the—

**Q11 Chairman:** Let us move on to where those families move to from bed and breakfast. We all accept what it says about bed and breakfast. Could you please look at paragraph 2.24 on page 44? There are mixed reviews, and some people are happier, as you would expect, but the last bullet point mentions that people have moved into three-bedroom flats in a run-down Victorian mansion block with a defective front door, low light levels in some rooms and tiny kitchens. How do we ensure that people are not moved out of bed and breakfast into poor accommodation?

**Dame Mavis McDonald:** We cannot essentially make sure in every single case. We would expect the local authorities to be looking for an improvement in making such a move. What Ministers have said they want to do, as my letter said and the Comptroller says, is to have a targeted programme of reduction of the numbers living in temporary accommodation, alongside the completion of some work we have already put in hand, which is to strengthen the statutory guidance on the quality of temporary accommodation which it is acceptable for local authorities to use. We shall talk about light and space amongst other things.

**Q12 Chairman:** Can I just ask you about rough sleepers. There is reference to this in paragraphs 2.37 and 2.39, and we find it at page 48. There seems to be some difference of opinion about dealing with rough sleepers and the amount of information we have about their move-on accommodation, which is obviously vital. Westminster Council, which has by far the highest number of rough sleepers, has one view; the Greater London Authority appears to have another view. How can we develop an effective strategy when we do not know enough about where these people are going on to?

**Dame Mavis McDonald:** We agree with the recommendation in the Report that we need to understand more about what is going on here. There is no difference between anybody that it would be helpful to have a larger supply, but also we need to understand more about why people are walking away from hostel accommodation and potentially the support services that would help them to move into accommodation, and they would be obviously more stable in the longer term. We are proposing to do some work on that.

**Ms Alafat:** In the five-year strategy and the plan we published, we announced a £90 million programme for hostels, and although that is capital investment it is not just about investing in the quality of the accommodation; as part of our hostels improvement programme we are going to be looking in detail at the services provided in the hostels, so that we can

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ensure we have a more positive outcome when people leave hostels, which means moving on and staying in their tenancies. The £90 million is there to help us change the very nature of that and improve it.

**Q13 Chairman:** We first looked at this issue in recent history 14 years ago, where we asked for better research on the subject. We last looked at it in 2002. If you look at paragraph 3.18 on page 54 you will see that there can still be much better working between your department and the Department of Health. Paragraph 3.47 on page 62 at figure 29 you can see the whole series of areas where there are shortcomings. This is pre-eminently, is it not, an area of government where joined-up government is vital? However, you are still not getting your act together.

**Dame Mavis McDonald:** We have a large number of examples—quite a few of them in the Report itself—showing that we have been working across government collectively to develop different approaches, and actually working in a much more cross-cutting way than both your original Report and the joining-up study, which I was involved in myself. I think we agree there is a lot more to be done, but we would say that over that period of time we have learnt an awful lot more about the circumstances of those people who present themselves as homeless, and we are distinguishing and understanding more about the basic supply issues but also about the individual circumstances and problems that face those who do have assistance with their housing. Increasingly, we know that those people are likely to include those who are amongst the most vulnerable groups in a variety of ways. We would say we still need to know more, but we would say we have learnt a lot. We are working together much better. Jeff Rooker has been chairing, for the five-year plan, a group of inter-departmental ministers, who will be coming forward very shortly with proposals for taking the agenda forward on the basis of both the Select Committee analysis and the NAO Report.

**Q14 Jim Sheridan:** What criteria do you use for “vulnerable person”?

**Dame Mavis McDonald:** We would include everybody who is now accepted as in priority need under homelessness legislation, and also under the Supporting People Programme, which we also run, where we have definitions of eligibility for those who need help to continue to live in their own housing or need support to get access to housing.

**Q15 Jim Sheridan:** To me that is jargon. What do you mean by that?

**Dame Mavis McDonald:** The Supporting People Programme is the programme by which we fund local authorities. This is a central government programme, a cross-cutting programme, which funds local authorities to help people that range from the frail elderly to a variety of categories such as ex-offenders or children in care, to access housing. It pays for the extra costs of personal support to stay

in housing. It does not just pay for the rent; it pays to support those people. It might be in helping access to employment, access to physical aids to enhance the building, so that somebody who is old and frail can—

**Q16 Jim Sheridan:** So vulnerable people would include single parents?

**Dame Mavis McDonald:** Yes.

**Q17 Jim Sheridan:** The reason I am asking—and I am sure other colleagues get the same complaints and inquiries about people who jump the queue, and other people have to wait for housing—simply because a young woman becomes pregnant and then she jumps the housing queue, which causes a problem amongst other people. Are they vulnerable people?

**Dame Mavis McDonald:** Under the framework of the legislation, somebody would have to be demonstratively homeless unintentionally in order to access housing. You see from the figures in the report the number of people asking for help is significantly larger than those who get immediate access to housing; so somebody who had adequate accommodation and was a single parent at the moment would not necessarily go through that hoop, but there are some significant numbers of single parents who do get help through the housing strategy.

**Q18 Jim Sheridan:** My experience is that the young woman becomes pregnant, gets a house, is a vulnerable person and the bidie in, as we call it in Scotland, gets back in again with the single mum. Do you have any evidence that that happens or is it just a myth?

**Dame Mavis McDonald:** I am not aware. Can I just check with my colleagues?

**Ms Alafat:** One of the new requirements of the Act in 2002 was that local authorities would have to look more broadly at homelessness and housing need in their area, not just those that were statutorily homeless. The purpose of that is to try to take earlier action so as to prevent homelessness from taking place, so there are people in the community that may not be vulnerable under the Act, but we expect local authorities to look at those needs more generally.

**Q19 Jim Sheridan:** It causes a great deal of frustration amongst my constituents. Would you look at paragraph 2.33 on page 47? “The Directorate has collected information and commissioned research which suggests that the number of people sleeping rough over the course of a year may be ten times the number on a single night.” Does that mean your annual figures are not inconsistent with what is happening on a single night?

**Dame Mavis McDonald:** It means that we acknowledge that more people sleep rough than are just counted on any night. That is just a snapshot on a night, but across a year there will be different individuals who are sometimes sleeping rough and sometimes not. There will be a flow across the year. We have evidence that some people will possibly stay

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in a hostel for part of the year, but then will go out again and move somewhere else in the summer, so there is a different pattern across the year. The count on one night underestimates the total number of people who may be sleeping rough in any one year, is basically what we are saying. I think this methodology is now largely accepted by everybody, and the NAO helped us with it, but it is just an attempt to be perfectly honest about what is going on.

**Q20 Jim Sheridan:** It is not an absolute figure of how many homeless people we are talking about?

**Dame Mavis McDonald:** In terms of rough sleepers, unless we counted every night we would not necessarily get that figure. This methodology has been accepted by most of the stakeholder groups and myself and the NAO.

**Q21 Jim Sheridan:** Is there any impact on homelessness, particularly in the south-east, where the main problem is, in the London area, or any problem with the number of migrant workers coming to live and work in Britain? Are there sufficient homes or are they regarded as rough sleepers or homeless?

**Dame Mavis McDonald:** Can I ask Neil to answer that in detail? Anybody who is out on the street, regardless of their source of origin, would be counted as a rough sleeper.

**Q22 Jim Sheridan:** Does it create a problem for you if, as anticipated and some of the popular press suggest, we are going to be flooded by migrant workers? Will that put additional pressure on homelessness issues?

**Mr O'Connor:** There are some different issues here. There are issues around eligibility for statutory assistance and there are different levels of eligibility for people from abroad; but in terms of rough sleeping obviously there is a concern about that happening, but there is little evidence of it happening to date. In Central London, for example, counts have found some migrants coming in and sleeping rough, but tending to sleep rough for a few days and then moving on and getting work and finding accommodation.

**Q23 Jim Sheridan:** Permanent accommodation?

**Mr O'Connor:** As far as we know.

**Dame Mavis McDonald:** They have not come and asked for help from the local authorities.

**Q24 Jim Sheridan:** We just assume then that they have found permanent accommodation.

**Dame Mavis McDonald:** Yes, if they do not ask.

**Q25 Jim Sheridan:** Is there a genuine concern that some of the bed and breakfast facilities are way, way below the standard that some of us would accept? I am aware that in Scotland anyway that a number of landlords have already been prosecuted for providing bed and breakfast facilities that are just

unacceptable. In many cases there are safety concerns. Do we carry out checks on bed and breakfast facilities?

**Dame Mavis McDonald:** We do not centrally; local authorities do.

**Ms Alafat:** As you know, in England because we have accepted that B&B is the most inappropriate accommodation, that has been our whole push—to reduce that. We continue to push local authorities to reduce that, and they do have a statutory duty to provide appropriate suitable accommodation. It is through local authorities that that is monitored and they do already have responsibilities through the Housing Act and through their environmental health programmes. In authorities in London for many many years they have had something called ‘BABIE’ standards, which they have implemented themselves, so obviously we want to try and continue the push on that, but there are some mechanisms in place to check on standards.

**Q26 Jim Sheridan:** Another concern in terms of bed and breakfast accommodation is that there is evidence there is a large element of fraud, and that people are claiming to live in B&B, and landlords are claiming to have people in B&B that do not actually live there. Is there any evidence that that is a concern, or is it something we evaluate and monitor?

**Ms Alafat:** Because of the nature of the legislation, local authorities are placing the households in bed and breakfast, and we make a point of saying to them that they should be doing visits, and home visits as well when someone applies as being homeless. As far as we know, there is no overall evidence of fraud that has come to our attention. Obviously, that does not mean it does not happen.

**Dame Mavis McDonald:** I think we need to check with our colleagues in DWP whether they are finding significant evidence, but it is not an issue they have particularly raised with us. They have worked with us to increase incentives to not use bed and breakfast but to use temporary accommodation.

**Q27 Jim Sheridan:** I do not know what your relationship is with your counterparts in Scotland, but I know the Scottish Executive has set a very ambitious target that everyone in priority need will have permanent accommodation. There is extreme pressure on local authorities. Do you have any idea if that is attainable?

**Dame Mavis McDonald:** I am afraid I do not know whether it is attainable in Scotland. I think we could say, because of what we know about the current status in London and the South East, that that would be a very difficult target to meet in the short term.

**Q28 Jim Sheridan:** That mission statement you do not think you can fulfil in England.

**Dame Mavis McDonald:** Ministers have just announced that what they are targeting in the first instance is a reduction in the numbers in temporary accommodation by 50% by 2010.

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**Q29 Jon Trickett:** Increasing homelessness as a historical trend I suppose correlates to some extent with the increasing number of households and the breakdown of the so-called traditional households. It also correlates to the sale of council houses, and the failure to make capital receipts available to councils so that they can build more houses. Is this latter point a factor in increasing homelessness?

**Dame Mavis McDonald:** It is a factor in the decline in supply of available social rented lettings for people who are coming to local authorities asking for assistance.

**Q30 Jon Trickett:** Therefore, it is a factor in saying that the housing supply available to people who need rented accommodation is less than it was.

**Dame Mavis McDonald:** Yes, it is a factor. It is not the only factor, as the Report explains.

**Q31 Jon Trickett:** I am not suggesting it is.

**Dame Mavis McDonald:** It is a factor.

**Q32 Jon Trickett:** Are you as a Department promoting council house sales?

**Dame Mavis McDonald:** What ministers have done, as you know, is to change some of the ground rules on right-to-buy sales in the areas where there is most pressure on social housing stock, in order to increase the availability of social rented lettings for local authorities. But there are a variety of programmes, including the increase in new-build programmes that the Chairman referred to, and the PFI programme that is now available.

**Q33 Jon Trickett:** Can you tell us how much the social rented sector has diminished over the last ten years, say?

**Dame Mavis McDonald:** There are some examples in the Report and in *Homes for All*, which is the five-year plan. The best estimate we have used is around 22,000 a year when the right-to-buy sales levels are around 70–75 thousand.

**Q34 Jon Trickett:** Is it true, though, that by encouraging these fancy ALMOs and other devices, councils dispose of their property to housing companies or whatever, and what is happening is an increase in the number of people buying because they are afraid that for whatever reason—they might be afraid of the new-fangled landlords that have been created and so they have decided to buy? Is it not the case that they are accelerating council house sales?

**Dame Mavis McDonald:** The number of council house sales has accelerated quite markedly over the last three to four years. Some of it can be related to people taking it up on transfer; they know there is security that they will have a refurbished property as part of the ALMO programme. Some of it is associated with the very fast rise in the property market values more generally in London and the South-East.

**Q35 Jon Trickett:** Yes, and probably climbing interest rates as well; but altogether I am interested in your policies. It is your department's policy to sell council houses and not to make capital receipts available in general terms to re-build, and secondly to allow, or even encourage perhaps, councils to dispose of properties, which in itself is accelerating the diminution of the rented sector, and thereby in a way there is a correlation between diminution of the rented sector and the increase in homelessness. It seems to me you are pursuing contradictory policies.

**Dame Mavis McDonald:** Ministers have made it clear that their initial choices in 1997 for use of capital receipts was to improve the quality of the existing stock that was owned by local authorities and other social landlords. They have now said, in their latest proposals, that they want to accelerate the scheme of new supply through a variety of routes. Some of the propositions in *Homes for All* will make it easier for local authorities to access the receipts from sales into shared ownership particularly.

**Q36 Jon Trickett:** I want to move on to a different subject. If you look at map 3 on page 6, it shows that in my own area, Yorkshire and Humber, it has the largest number of households accepted as homeless outside of London—7.7 households per 1000. Why is that?

**Ms Alafat:** It is the case that Yorkshire and Humber and also the North-East where homelessness has increased at a higher rate than in other parts of the country in recent years. The explanation, as far as we can tell looking at the causes of homelessness and the categories, is that there is no doubt that in those two areas there has been an increase in 16 to 17-year olds, young people; and that is something that we have recognised working with the government office there; and indeed the government office has been leading various discussions to look at what can be done to prevent homelessness among that group. That was a category that was added in the legislation. The second issue, which comes up more often in Yorkshire and Humber, is the issue around asylum-seekers hostels, so that we can ensure we have a more positive outcome when people leave hostels, which means moving on and staying in their tenancies. The £90 million is there to help us change the very nature of that it was as high as 12%. That is one of the reasons why, as the report says, we are working very closely to try to prevent homelessness for these groups of people. There are some differences by regions.

**Q37 Jon Trickett:** Are there not empty buildings scattered around Yorkshire and Humber which have been converted to take asylum-seekers?

**Ms Alafat:** There is an issue here about where we have low demand areas, especially if you look at the other maps in the NAO Report. What is interesting is the pressures on temporary accommodation are not as high as the acceptance levels in some of these areas, and there is a difference here between people coming through the local authority to get assistance, and therefore accepted as homeless, and then being

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able to provide housing. We are trying to prevent them from having to go through the homelessness route to begin with, so that is not the only route into helping them into housing.

**Q38 Jon Trickett:** Can you explain map 12 on page 34? If you compare that to the map we were just looking at, it is counter-intuitive. On map 3, Yorkshire and Humber has the highest number of households homeless per 1000, apart from London, but on map 12 we discover that for Yorkshire and Humber there is a very small number, 1.1 per 1000, in terms of the accommodation; but the heading of the map is, “the use of temporary accommodation tends to be concentrated in those parts of the country with greater general housing supply pressures”. If homelessness is an index of that, you will expect a correlation to take place between the number of households in temporary accommodation and the number of homeless households, so why does it not correlate in that way?

**Ms Alafat:** There are two different things here. In Yorkshire and Humber, if you are a young person or someone else who needs help in your housing, you would go to your local authority, and if you are vulnerable and fulfil all the requirements, you could be accepted as in need of housing. They could then provide you with a council flat or housing association flat almost straight away; so the numbers in temporary accommodation would be very low. If you compared it with London, where we know there is a housing supply problem, as well as obviously social and welfare needs, then you see that we also have the pressure. That is why the supply is also linked. It is a matter of who becomes homeless because they have social issues, and then the housing supply issue as well.

**Q39 Jon Trickett:** If the number of households in temporary accommodation is a function of relatively plentiful supply of accommodation, how is it that we have the highest number of households that are homeless in the area? It does not make sense.

**Ms Alafat:** We cannot be certain, but we think, and we have been told by local authorities, that the 2002 Act, which required local authorities to develop homelessness strategies, also in effect raised their game generally on homelessness. In other words, they had to look at what they were doing in terms of homelessness generally, and it became much higher profile in local authorities. There was an expansion in priority need categories. We are not really surprised in some respects that in parts of the country where perhaps homelessness was not on top of the agenda, that authorities changed their approach. What we are quite keen to see is for those numbers to come down. If we can prevent someone from going through the homelessness route to meet their housing needs, that is what we should be trying to do.

**Q40 Jon Trickett:** I am not sure I understood exactly what you were saying, but perhaps you could send us an illuminating note if you have a look again at the

question.<sup>1</sup> My final question is on the private rented sector, which you seem to rely on very largely. It does surprise me that that is the case. I do not understand why the housing associations are not making a larger contribution towards alleviating the homelessness problem, given that they are recipients of very large amounts of taxpayers’ money. Can you explain why we are using private landlords rather than housing associations?

**Dame Mavis McDonald:** We are using private landlords across the country, but much more in areas of highest pressure, because there is huge pressure on the social rented sector generally, not just through the homelessness route, in London and the South-East, so there are long waiting-lists for access. There are people living currently in accommodation which is no longer suited for their needs—they might have got a small apartment, but now have a growing family. Both housing associations and local authorities have to trade off what the requirements are across their existing tenants, other people on the housing register, and a homelessness provision. In London particularly, where the numbers are the highest, there has to be a lot of cross-borough working in order to achieve places for people who present themselves, so there is a time lag there. Some of the figures in the report show that in London it takes longer for example to move on from temporary accommodation into a permanent flat or house than it does elsewhere. We have issued guidelines, which we work on with the National Housing Federation to try and get best practice developed. It is really much more about joint working between local authorities and housing associations.

**Q41 Mr Curry:** Barker was not really about homelessness at all, was it? It was set up by the Chancellor to work out how the British housing market, with its volatility and its history of significant price rises and house price inflation, could make it behave more like the continental market and therefore make it possible for the United Kingdom to contemplate membership of the Euro.

**Dame Mavis McDonald:** Yes, I think against a context where the total supply of new housing, not just the social rented supply, but that developed by the private sector itself, seemed not to be responding to demand.

**Q42 Mr Curry:** The point I am making is that Barker is a red herring more or less in the context we are discussing today.

**Dame Mavis McDonald:** I think the analysis confirmed what we already knew in—

**Q43 Mr Curry:** It is also true, is it not, that—Mr Trickett and I are both Yorkshire Members of Parliament—if you look at social housing in Yorkshire, particularly council housing in places like Sheffield, the fact is that there is an ageing population; demography is working against social housing, is it not, and there are significant blocks of

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uninhabited housing? The need there is to demolish and regenerate. There are two housing markets so it is not surprising that accommodation in conventional social housing is more available.

**Dame Mavis McDonald:** That is right. I can check in relation to Pathfinder because Sheffield for example has significant problems of low demand and have done more work projecting forward.

**Q44 Mr Curry:** Sheffield Council baled out.

**Dame Mavis McDonald:** Yes.

**Q45 Mr Curry:** Looking at map 3 again, are you aware of some research that has come up in the last few days talking about comparative expectation in education and, for example, meals in schools? In the north a high proportion of parents in the country believed that the school dinner was the main meal of the day. How does homelessness correlate to more general indices of social deprivation—unemployment, *per capita* income, free school meals—which is a standard although I suspect not particularly accurate indicator of deprivation? How does that correlate?

**Dame Mavis McDonald:** There is a higher correlation in the areas of lower demand than there is in London, but there is a correlation even in London and the South-East.

**Q46 Mr Curry:** You would expect it in London and the South-East because London is a bit of everything rolled into one.

**Dame Mavis McDonald:** Yes.

**Q47 Mr Curry:** Therefore, you might be expected to find more homelessness in areas of less prosperity, if you like. Is that true, just a statement to start with?

**Dame Mavis McDonald:** If you take the broader definition of homelessness that we have under the latest Act, then those categories of problems that individuals have correlate readily with other factors pointing to deprivation that we know about and we measure—issues around skills and education, for example, or various categories of crime including domestic violence; they have all shown that you get a clustering effect in places.

**Q48 Mr Curry:** Can I ask you about local housing needs surveys upon which local authorities often develop their housing plans. I get those in my cottage in Yorkshire, and they are terribly aspirational—“would you like to live somewhere else to where you are living?” Have you ever done work into introducing rigorous methodology and intellectual rigour into these surveys, which are the vaguest things you could possibly imagine at the moment?

**Dame Mavis McDonald:** As the report says, that was one of the issues around the quality of the homelessness strategies, that there were aspirations without having targeted delivery approach to what they can achieve with the resources that might be available. We have found housing strategies very mixed. There are some very good ones from some of the better housing authorities.

**Q49 Mr Curry:** Is there a template for the actual assessment of what is meant by “need” in the context of local housing?

**Ms Alafat:** Yes. When we first asked local authorities to do homelessness strategies, we did produce quite detailed guidance in terms of what they should be doing as part of that. We have now had the results of the evaluation. Obviously, where the independent evaluation has pointed out problems and gaps, we are continuing to work with authorities and it was not just a matter of writing strategies, but getting that better. They will be writing another strategy and we are looking at that now, but there was guidance initially.

**Dame Mavis McDonald:** There is also guidance on general local authority housing strategies including the need to look right across the spectrum of housing requirements in their area, not just the rented sector.

**Q50 Mr Curry:** Are you aware of the research done by the Children’s Society into children who run away from home?

**Dame Mavis McDonald:** I am not personally aware of that.

**Q51 Mr Curry:** Last week the Children’s Society produced a report on children who run away from home, which indicated that about 100,000 young persons a year quit home. Many are rough sleeping, and girls very often find themselves pushed into some sort of prostitution. We had examples of the young people talking about their experience. Some pilots are taking place, I imagine done by your Department—which would make sense, and if not done by your Department then there is a lack of joined-up ness!

**Dame Mavis McDonald:** The Social Exclusion Unit has done one on young runaways, and we have been working very closely with the DfES around the *Every Child Matters* agenda.

**Ms Alafat:** Because of the rough sleeping targets and the Rough Sleeping Unit, a lot of attention in the early days was focused on just that. Our rough sleeping counts are not showing that happening any longer and that is partly because over the years, with the DfES and others we have funded specific services for young people. The other thing that has come out of our programme on prevention and funding local authorities has been that a large number of them have put in place family mediation schemes where they are basically trying to prevent the young person from leaving home at an early stage and becoming homeless. We are still doing quite a lot to try to prevent that from happening. That is not to say—

**Q52 Mr Curry:** But the results of this indicate that people—because some families were there as well—mothers were saying they were not supported, quite often intimidated and quite often had been blamed for what was happening, and some of them came from very disrupted and dislocated households, as one can imagine. As you said you wanted to get at the root causes of homelessness to prevent it before it started happening—

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**Dame Mavis McDonald:** I think we were simply saying we were not aware of the details.

**Q53 Mr Curry:** Would you have a look at it and drop us a note, which would be very helpful?<sup>2</sup> There is an argument about how many people are homeless. As you said, quite rightly, some people are permanently homeless and there is an awful lot of casual homelessness and people who have some sort of roof but which may be unsatisfactory at times of the year, or maybe it is just dossing down with people. There is a very high incidence of people who are mentally ill and on drugs who are generally medically debilitated. What progress have you made to address these related issues for people to whom it is irrelevant whether there is a house for them or not, because they are utterly incompetent in the true sense of that word when it comes to their own lives, managing a budget and sustaining themselves in a house?

**Dame Mavis McDonald:** That is where you have to look at the Supporting People Programme alongside support as defined by the homelessness legislation, because that programme is now clarifying where there is need for that kind of support in a much more specific way at local authority level than we have previously seen before. That programme can work alongside both the homelessness programme, which is relatively small in volume, and the bricks and mortar programme—that kind of personally targeted approach to help those kinds of individuals. We really only started that programme in the last financial year—we are into year three next year. We are still working with the Audit Commission and are carrying out our own research to find out if there is a mismatch.

**Q54 Mr Curry:** The Housing Bill introduced an extraordinarily complex process of multiple tiers of registration, and registration of HMOs. Presumably that has come into force; or is it still waiting to be triggered?

**Dame Mavis McDonald:** This is the licensing provisions. I think it is about to come into force, but I would have to check.

**Q55 Mr Curry:** Do you believe that will be of assistance in the ability for the private rented sector to play its role in housing people in need?

**Dame Mavis McDonald:** A lot of local authorities were very anxious for that legislation to be put on the books because it gives them the capacity to have much more influence over the quality of the private rented sector lettings, but we will ourselves have to promote it more generally across the country where people have not thought about it very much, particularly potentially some of those areas where they have not felt they had a homelessness problem. As you know, there is a whole variety of areas like seaside towns where you get the juxtaposition of two things coming together.

**Q56 Chairman:** In that line of questioning, you were asked again about the Barker Review. Would you please look at page 29, paragraph 1.6? “The Barker Review highlighted the considerable number of households in need of affordable housing. It is suggested that over 400,000 households are in need of self-contained, secure and affordable accommodation in England alone. It states in figure 7 that households in temporary accommodation are 94,000; households in “stop-gap” accommodation i.e., staying with family or friends, is 154,000; households in shared dwellings are 53,000; and single homeless people, hostel residents *et cetera* are 110,000, making a total of 411,000. The source is *Delivering Stability: Securing our British Housing Needs*—Kate Barker, 2004. Does the Government accept those figures in detail?

**Dame Mavis McDonald:** What the Government accepted was that this was a reasonable estimate and a reasonable methodology. We do not know the precise make-up of the 154,000 because we do not have a database that is picking up every one of us who might have a child staying with us who, if they could afford it, would move on elsewhere. We understood, when talking to Kate Barker about her report, that it is about whether you can access the housing market in any of these forms. Those figures include people who might normally be expecting to look either to rent themselves or to move into shared ownership, or to buy if they can afford to and the market conditions are right.

**Chairman:** My point is that you do not know exactly what constitutes the 154,000 but you appear to broadly accept those figures. I still do not understand the letter you sent to me on 25 February. If you look at *Sustainable Communities: Homes for All*, the latest Government announcement, and the summary you have helpfully provided for the Committee, two thirds of the way down you say that your policies now will increase the supply of new social rented homes by 50% by 2008, providing 75,000 new social rented homes over the next three years. I still do not understand, given the figures you have broadly accepted and which you have signed up to in this Report—and the Committee has got to have something to work on and we can only work on the Report in front of us—how the analysis you made which is summarised in this letter to us, can possibly meet the need.

**Dame Mavis McDonald:** The need in relation to the kinds of needs we are talking about in paragraph 7 are not simply being met by the new social rented homes figure; the programmes about affordable housing for key workers and first-time buyers, which are not included in those figures, which will add another 40,000 units over the same three-year period, address that issue, and there are other programmes such as—

**Q57 Chairman:** Just total them up and take it slowly, because it is absolutely vital—all the Government programmes that we have got here. We have the figures from the Barker Review, and I want you to

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go through, one by one, what you are hoping to provide—the various categories and what it adds up to, please. Can you do that now, please?

**Dame Mavis McDonald:** Not against the table in paragraph 7, no, because Ministers do not set out the framework in their plan to say, “we are going to address this issue in quite this way”.

**Q58 Chairman:** It is a Government-sponsored report. That identifies—and you have told me that you do not disagree with it—what is the need. I want you now to go through, item by item, what housing you are providing. Then we can work out whether it will meet the need which is there in figure 7.

**Dame Mavis McDonald:** We are providing through the new social rented homes programme by the Housing Corporation 75,000 houses over the next three years and more if we can get it.

**Q59 Chairman:** How will that meet the need which Kate Barker has identified?

**Dame Mavis McDonald:** That is not meeting the need in Kate Barker’s—

**Q60 Chairman:** That is not meeting the need. Thank you.

**Dame Mavis McDonald:** Because there are a variety of other programmes and policies which—

**Q61 Chairman:** Of those variety of programmes exactly how many houses or use of accommodation will be provided?

**Dame Mavis McDonald:** The new 75,000; another new figure for key workers and for low-cost shared ownership schemes.

**Q62 Chairman:** How many is that?

**Dame Mavis McDonald:** That is 40,000.

**Q63 Chairman:** So you have 75,000 and 40,000.

**Dame Mavis McDonald:** And another 15,000 on the first-time buyer programmes. Those are all new. I do not have a precise figure for the private finance programme for local government because we have not got their responses in yet, but there is a programme which has been made available to them on which they can—

**Q64 Chairman:** How many is that going to provide us?

**Dame Mavis McDonald:** I do not know.

**Q65 Chairman:** We are up to 130,000 so far.

**Dame Mavis McDonald:** Ministers did not set out to make these sums add up to 400,000.

**Q66 Chairman:** Well, why on earth did you commission this review by Kate Barker then? Did you disagree with the review?

**Dame Mavis McDonald:** Ministers commissioned the review by Kate Barker—

**Q67 Chairman:** I am sorry, but we have a massive shortfall. It is not your fault, but if we are going to have a proper inquiry we must at least understand the rules of the game.

**Dame Mavis McDonald:** But a significant part of that shortfall, as Kate Barker herself says, is because the private-sector developers are not supplying a part of the market.

**Q68 Chairman:** So what are you going to do about it?

**Dame Mavis McDonald:** We have a big competition for a “60,000 home—

**Q69 Chairman:** How many homes is that going to provide?

**Dame Mavis McDonald:** We are only just about to launch the competition, but we already know that we have got 3,000 extra units of housing courtesy of English Partnerships and this programme in London; and the Mayor of London has said he thinks he can provide—

**Q70 Chairman:** These people are going to be able to afford £60,000, are they?

**Dame Mavis McDonald:** Yes, quite a lot of people can afford £60,000.

**Q71 Chairman:** These people identified—these people in temporary accommodation, in stop-gap accommodation and shared dwellings, and homeless—they can afford this, and you are going to provide 3,000 houses anyway.

**Dame Mavis McDonald:** I am sorry, but I am clearly not getting the point over about the people who are in what is described as stop-gap housing here. That is an assessment of anybody who might want some accommodation which is different from the one they have got and happen to be sharing with a friend or parent who might want independent accommodation. It is not based on any huge great survey based on fact; it is based on statistical assumptions that Alan Holmans started to make in 1996. Within that bracket there are a whole variety of potential options for people, depending on what their income and aspirations are, and it includes purchasing in the private sector.

**Q72 Chairman:** I do not think you are anywhere near, Dame Mavis, meeting the need identified by Kate Barker. It may not be your fault, because if you look at paragraph 1.5 you will see this: “The Barker Review of Housing Supply published in 2004, noted that the number of social houses built in the United Kingdom fell from around 42,700 per year in 1995–95 to around 21,000 in 2002–2003. It also found that, while there had been a considerable increase in spending on social housing (from £800 million to over £1.4 billion) rising land prices and the need to improve existing stock meant that the rate of new supply had continued to decline.” I think that is the problem that is facing you. You simply cannot meet the need identified by Kate Barker, and the

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programmes that you have mentioned to me in this line of questioning add up to 130,000, when there is a need for 411,000.

**Dame Mavis McDonald:** As I said, Ministers did not say in their plan that they were trying to meet Kate Barker's 400,000.

**Q73 Chairman:** They may not have said that—

**Dame Mavis McDonald:** There is a cumulative backlog of need over a significant number of years. What they have said is that they will increase the annual output of new supply quite significantly over the period of the next spending review, and it might be helpful if I offer you a note to pull together.<sup>3</sup>

**Chairman:** It might be very helpful.

**Jon Trickett:** When there are problems—will it then be deducted from the total number of houses which have been sold each year, which the witness said was 22,000 a year, and so we get a net increase in the rented sector, which is substantially less than the figures you have just given?

**Q74 Mr Curry:** And deduct from that the number of houses which might become available had they not been sold, rather than lived in by people who bought them.

**Dame Mavis McDonald:** The 22,000, just to clarify, is our best estimate of those that might have been available for re-letting. People have always assumed that a large number of people who bought their own houses would stay in them.

**Q75 Mr Jenkins:** Were you very pleased with the report when you read it, or did anything cause you concern—or are you just familiar with it?

**Dame Mavis McDonald:** I think the report was a fair assessment of what had happened and what was improving, and what still needed to be improved.

**Q76 Mr Jenkins:** On the recommendations, is there any recommendation you felt is difficult to implement?

**Dame Mavis McDonald:** I think all of the recommendations are quite difficult to implement. One is because we are dealing with some of the most vulnerable and difficult health groups in society, and secondly because we are not working in a context that is staying still. The housing market is changing all the time. The numbers we have to deal with are increasing all the time and the pattern is changing.

**Q77 Mr Jenkins:** Are there any recommendations that you do not want implemented?

**Dame Mavis McDonald:** No, because we would not have signed up to the Report if we had felt it was not appropriate for us to do so.

**Q78 Mr Jenkins:** So we have great expectations that all the recommendations will be implemented fully.

**Dame Mavis McDonald:** Yes, as far as we are able, and we will do our best to do so.

**Q79 Mr Jenkins:** It is not a trick question. I want to talk to you about a location, and leading out of something the Chairman said, if you consider a town thirty years ago had a housing stock of 10,000 council houses and 10,000 private homes; but thirty years have rolled on and due to this owner-occupier boom in Britain and the sale of council houses, the council housing stock and rented housing stock and there are 25,000 private properties, and people want to move on to the housing ladder. A town that has got 2,000 on the waiting-list for one place, but 250 on the need list, would you think that 250 people in a town of that size, 30,000, would be unreasonable if you had 250 people or couples who cannot go into private ownership groups and need social housing. Do you feel that would be an unreasonable figure?

**Dame Mavis McDonald:** I think in the set of hypothetical circumstances you have set out it could be reasonable because you are actually dealing not with a static situation but with flows of people with different needs.

**Q80 Mr Jenkins:** Yes, I perfectly understand the flow issue. I am telling you that at the moment there is a need for 250 units to be built now this year to accommodate that bulge. If we were to extrapolate that across the country it would work out at about a quarter of a million places that people could live in. That is our biggest problem today.

**Dame Mavis McDonald:** But in the example you posit where some of those are for people who do not necessarily want social rented housing but want to buy in the private sector then—

**Q81 Mr Jenkins:** Those have already gone off. These are the ones on the council or housing authority list; these are the ones in greatest need—not want; these are in need. There is nowhere to put them at the present time.

**Dame Mavis McDonald:** Would the local authority not be looking to both talk to its local housing associations to work out the kind of extra new provision, and would it be looking at the possibility of using the private finance initiative proposals, or indeed if it is an excellent and good authority use the new prudential borrowing arrangements, which would enable it to borrow to have new supply, and would it not be making a strong case to the regional housing board that it should have access to some of the additional funding that is available through the spending review?

**Q82 Mr Jenkins:** It can borrow money to build then?

**Dame Mavis McDonald:** Under the prudential borrowing requirements, you can do broader regeneration schemes which involve the provision of new, social housing to let and local authorities can do that too.

**Q83 Mr Jenkins:** I will pass that information on. On the small number of people we have, the report cites 300,000 cases. Have you done any work to break down how many of these 300,000 cases are ordinary, young couples or single people who, given a roof

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over their head, can quite adequately manage their own life but they are not in a position today to launch into and buy a property?

**Dame Mavis McDonald:** We do not collect that data at the moment in a way in which we would be able to absolutely answer and we do not ask local government to give it to us, but we are introducing some new performance indicators in April designed to get more detail of what is happening.

**Q84 Mr Jenkins:** This is a complex report and I think the complexity of the report hides the facts. When a person turns up at a local authority, depending on where the local authority is, they are classified maybe as vulnerable and therefore get priority treatment for accommodation. The term “vulnerable” is one which I am familiar with but I cannot quantify.

**Dame Mavis McDonald:** You can quantify it if they are accepted as intentionally homeless.

**Q85 Mr Jenkins:** You can give me an assurance now, because you have been able to quantify this, that I can go to the south coast or Yorkshire with the same family, the same circumstances, and I will be treated exactly the same by every authority in the country?

**Dame Mavis McDonald:** Not necessarily because it is an issue for local authority discretion.

**Q86 Mr Jenkins:** Vulnerability is not a hard term?

**Dame Mavis McDonald:** The Act does not talk in terms of vulnerability. The Act talks in terms of entitlement in relation to being in priority need and unintentionally homeless. It gives a wider power to local authorities in relation to others who might be vulnerable and in need of help but it does not require them to be found accommodation if they are not unintentionally homeless. That does not answer your first question to me which was: are some of these people who are turned down people who, under other circumstances, might simply have gone off and bought or rented on their own. We think quite a lot of them are but we do not collect the data in that way at the moment.

**Q87 Mr Jenkins:** If the term “vulnerability” is flexible, how do we maintain a constant approach across all local authorities? One local authority may be collecting more names, more people on their vulnerable list. Can they get extra funds if they collect more names?

**Ms Alafat:** Under the homelessness legislation, there are those who are vulnerable because they fall within a priority need category. The guidance that we give to local authorities has a statutory basis. Much of the way local authorities carry out their homelessness duties is challenged and has been challenged in court. The court has set precedents about the interpretation. That we know. We know the numbers, for example, that are accepted as homeless because they have a priority need, because they are pregnant or—

**Q88 Mr Jenkins:** Of the 300,000, how many, if they are not in the category that can manage their own lives, are in the category of needing people’s support? If they were given a place, they could rent on their own but they need additional support to allow them to be independent.

**Ms Alafat:** We are doing two pieces of research. We did a piece of research looking at the support needs of those people that were coming in and being placed in temporary accommodation.

**Q89 Mr Jenkins:** The numbers are? Are we talking about 10,000 out of the 300,000 or 30,000 or 250,000? Roughly how many?

**Mr O’Connor:** We do not know the numbers who are vulnerable in the sense you are describing but there are duties on local authorities to assess their circumstances when they make an application to them as a homeless household. They must also provide them with free advice and assistance to help them overcome the problem.

**Q90 Mr Jenkins:** Do you not fund this programme, Supporting People?

**Mr O’Connor:** Yes.

**Q91 Mr Jenkins:** Do you send blank cheques to local authorities or do they have to send returns back in for how many people they are assisting?

**Mr O’Connor:** If you are asking do we know how much support is provided through the Supporting People Programme for homeless people, we know retrospectively at the end of each year how much local authorities tell us they have spent on services for clients who are labelled as homeless by the services providers, who may be at risk of homelessness or who have previously been homeless.

**Q92 Mr Jenkins:** They give you the number of people they have assisted?

**Mr O’Connor:** Yes.

**Q93 Mr Jenkins:** If this honest person, who may not be able to run their own life, is placed in accommodation, becomes homeless again and goes on the merry-go-round and starts again, are they counted each time they go round the circuit?

**Mr O’Connor:** They are. We have recently introduced data through local authority recording that identifies repeat homelessness cases. An initial estimate suggests 10% of homeless—

**Mr Jenkins:** I do not have time to go on to rough sleepers or people put out from the armed forces or accommodation run by local authorities etc., but do you see this complicating the picture? We need some more guidelines and figures. There is a small number which need people support and there is a larger number of people who just need a roof over their head. Then we can say that the solution is simple: just put a roof over their head.

**Q94 Mr Williams:** Can I take you a bit out of your area? Obviously, as a Welsh Member, I am interested in appendix b on page 68. The Welsh Assembly has set up a Homelessness Commission.

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How does that compare in terms of powers and range of activity with the directorate that has been set up for England?

**Mr O'Connor:** It is different. I am not sure of the exact details of how the Commission will operate or is operating in Wales. As far as I understand it, it is an advisory commission set up to look at the issues and make recommendations to government. In a way, a similar approach we took in England was back in 2002, preparing a report called *More than a Roof*.

**Q95 Mr Williams:** What would you say is the principal difference between the directorate and the Commission from your point of view? Which is more effective? Start with the difference and I will decide which is more effective on the basis of what you say.

**Mr O'Connor:** I am afraid I do not know the terms on which the Commission has been set up or its membership in Wales. I am not able to comment in any qualified way on the difference but it sounds as if it has an external element to it.

**Q96 Mr Williams:** Does the Directorate have any directive powers that the Commission in Wales does not have? You said it is advisory. You do not describe the directorate as purely advisory, do you?

**Mr O'Connor:** Perhaps if I describe the way the directorate works, which is what we understand most, we are responsible for funding and for providing good practice advice to local authorities. I am not sure whether the Commission in Wales is set up on a similar basis. I do not think it is.

**Q97 Mr Williams:** Could you let us have a note on that?

**Dame Mavis McDonald:** Certainly.<sup>4</sup>

**Q98 Mr Williams:** Looking at that same appendix, unless I have my figures wrong, in the third column, "Assessed as Homeless & in Priority Need", in England according to figure nine that has increased by 37%. According to me, the percentage increase in Wales has been 70%, nearly twice as much. That almost beggars belief when you think of the concentration in London and so on. That is a staggeringly high rate of increase compared with England, is it not?

**Mr O'Connor:** It certainly is a higher rate of increase than has happened in England. If you look at the fourth column in that same table which compares the number per 1,000 household, that is the number of homeless accepted for every 1,000 people in the local population, Wales has gone from having a lower rate per 1,000 in England to a higher rate per 1,000 over that period.

**Q99 Mr Williams:** In fairness to Wales, the 7.56 compares with places outside London, the immediate counties and regions. The figures seem to

come in line but I am puzzled that this would appear to be almost an explosion in homelessness and in priority need.

**Mr O'Connor:** This may, in a similar way to the recent rises in England, be connected to the extension of priority need in Wales which was changed at the same time as it was in England.

**Q100 Mr Williams:** Could it be a definition issue? I would sooner you did not answer if you do not know. If it is a definition issue I would like to know but if you are not sure it is better you just say you do not know.

**Dame Mavis McDonald:** The NAO Report has said that when the definition of priority needs was changed the numbers went up in the same way as in England. We ought to speak to our colleagues on this.

**Q101 Mr Williams:** Again, I would like a note on that. If you look at the lower part of that set of figures, "Temporary Accommodation", the Report and your evidence have brought out the inefficiency of bed and breakfast as a means of meeting need. I do not know how much it has gone up in England over the three years covered. Do you know approximately?

**Mr O'Connor:** Total bed and breakfast use has come down over the last year in England and, for families with children, we have ended the long term use of it.

**Q102 Mr Williams:** It has gone up five fold in Wales in three years in the most inefficient method of provision. As compared with the fall you describe over the last year in England, the use of bed and breakfast has more than doubled in the last year. Does that suggest an inefficient use of the resources?

**Dame Mavis McDonald:** We will have to ask our colleagues in the Welsh Assembly.

**Q103 Mr Williams:** Is the NAO able to help us in any way? It is difficult having stuff in the Report on which no one is able to answer questions.

**Mr Corner:** We included these figures for comparative purposes and we have cleared them with the Welsh Assembly but I cannot add to anything that has been said.

**Q104 Mr Williams:** Having the separate accounting bodies now, the NAO in Wales separately, the Scottish and the Irish, one of the great values of it is we are able to draw on best experience and learn from each other's lessons. It is helpful having comparative figures but it is not helpful if there are not comparative reasons. I am not sure where we go next on this because I am not sure who knows the answer. The homelessness and rooflessness grant, for example, in Wales: do we know how that compares with the type of grants that are available from the centre under the system in England?

**Mr O'Connor:** I do not know in detail but it is similar in the sense that I understand it is grants to local authorities.

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**Q105 Mr Williams:** We know from whom there are grants and to whom they are paid. We do not know how the grants compare in value.

**Mr O'Connor:** The best we can do is talk to our Welsh colleagues.

**Q106 Mr Williams:** I do not want to embarrass you but it is helpful to me as a Welsh Member if I can use your research capability to probe the thing. I am not getting at you when I am asking questions.

**Dame Mavis McDonald:** It would be perfectly proper for us to provide you a note with information from Welsh Assembly colleagues, drawing some of the comparators between our figures and their figures in agreement with them. The policy is for the Welsh Assembly, not for us.

**Q107 Mr Williams:** You will provide or you in conjunction with the National Audit Office will provide?

**Sir John Bourn:** We would be very happy to join in this.

**Q108 Mr Williams:** I would be very happy if the National Audit Office would make some comparative studies for me as well. I was wanting to ask about the relative effectiveness of the grant, which is again something we need to look at. I can understand that is not answerable now. It is not your fault. Can we switch to something that rather surprised me earlier on the preparation of strategies? There is a table that deals with the preparation of strategies and makes the point that, in most cases, local authority social services departments—we are now back in England—did not seem to be part of the assessment work. Why is that? It would seem illogical, would it not?

**Dame Mavis McDonald:** Our guidance said that they should be part of it. We found practice varied more widely than we would have expected.

**Q109 Mr Williams:** It is page 62, figure 29. “Social services often did not take part in the review.” Since essentially the directorate is all about joined-up, relevant and interested parties and since we have the voluntary groups and so on, why on earth are not the prime deliverers within local government, the social services departments, parties to the reviews?

**Ms Alafat:** When we placed the requirement on local authorities to develop a homelessness strategy, it was quite clear in that social services authorities also had a duty to cooperate with housing authorities on homelessness strategies. We did clarify that from the start.

**Q110 Mr Williams:** They are different roles, are they not? The housing department is one provider of a facility. The identifiers of the problem, which is what we are concerned about, who should be the major participant in the decision on strategies and so on, are the people who are dealing on the ground with the problem. It seems utterly illogical for the social services department not to be at the forefront.

**Ms Alafat:** It is the housing authority that has responsibility to produce the strategy but the social services authority was to work with them on that.

**Q111 Mr Williams:** This is much more specific. It says, “Social services often did not take part in the review,”

**Ms Alafat:** I was clarifying that it was a requirement for local authorities. What was generally found through the evaluation of the strategies was that across the board the local authorities did involve partners. It is not that every authority did not involve social services. What the evaluation told us was that there were enough cases where social services were not fully involved to make it an area where we needed to do more work with the authorities.

**Q112 Mr Williams:** Is this something you regard as a weakness in the current system and, if so, is it something you are addressing? How are you addressing it?

**Dame Mavis McDonald:** I think it is fair to say that when we commissioned the strategies we were developing with local authorities the Supporting People Programme. As social service authorities have taken on board responsibility for that—of course, it is a county council responsibility in the county areas, whereas housing is a district responsibility—that has given extra impetus for the two tiers to come together. In unitary authorities, we have much more experience.

**Mr Williams:** You are not really answering my question. I asked what are you doing to make sure that they are properly brought on board. Perhaps you would let me have a note on that matter.<sup>5</sup> However, if you would go to the very bottom point in table 29, “Four out of ten authorities failed to identify the resources they need to fulfil their strategy.” That does not exactly sound like serious strategy formation, does it? It could identify targets but that is not a strategy. It can identify the targets it might want to reach but it needs a strategy and to achieve its strategy it needs an assessment of resources. How can you have four out of ten councils failing to identify the resources they need? How do they know if they have too little or too much?

**Dame Mavis McDonald:** We tried to address some of that weakness in the way in which we have given out the grant to local authorities, part of which is given on needs in relation to homelessness but part of which is given in the proposals they bring forward for specific plans to handle what they have set out as their strategic priorities and which we have set out as strategic priorities. We try to develop the focused planning through that route. When they have to revisit local authorities within the five year period we will be issuing much stronger guidelines on what is acceptable.

**Q113 Mr Williams:** Five years is a long time, is it not? This is rather woolly. What we are getting is, frankly, almost a load of guff. If you are just talking

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about producing strategies without producing an assessment of the ability to provide those strategies, you might as well not talk about the strategies in the first place. Take it to the next stage. Most of the local authorities did not consider the full range of funding opportunities. That is not difficult to understand if they do not identify what they need in the first place, but why have they not found out what the full range of funding opportunities is? It seems to me that the information to build the blocks, to solve the problem, the key information, is either not being sought or it is not being provided.

**Dame Mavis McDonald:** We have been trying to work through with local authorities, after the event, a much more efficient process of developing their knowledge of what works and what does not. We have quite a lot of evidence that, following the strategies they have, they have worked better with their other partners. They have increased the effort they put in. They have begun to define much clearer grant propositions on which they would spend the money to meet their priorities in their strategies, working with us and government officer.

**Mr Williams:** I would like some more precise information on both those areas of questioning in relation to resource, assessment of resource and the previous issue. If I am not satisfied with the reply, if necessary, I will ask you to come back with the information.<sup>6</sup> Thank you.

**Q114 Mr Jenkins:** It would be rather remiss of me if I did not mention ex-servicemen. Almost to our national shame, ten years ago we found that 25% of rough sleepers were ex-servicemen. Is it lower now? Do you know what the percentage is?

**Ms Alafat:** It is one of the areas where there has been a success story. Our current information tells us it is about 10% at any one time. Our work with the MoD continues and we have worked with them on providing housing advice at Catterick Barracks, for example. We are in the midst now with them of doing some research on the housing and homeless need.

**Q115 Mr Jenkins:** At 3.11 it says a number of schemes have been funded by yourself but who owns these schemes? I wonder whether you are going to determine if they are successful in delivering. I take it you personally have a handle on these schemes and you know they are going to be delivered? We have somebody in charge of this for monitoring these initiatives?

**Dame Mavis McDonald:** Yes. The figures will be collected and the next series is due next week, so we are tracking it.

**Q116 Mr Jenkins:** We will never get it to zero obviously but we will get it to a single digit number, I take it, in the near future?

**Dame Mavis McDonald:** Hopefully.

**Q117 Jon Trickett:** I want to come back to this thorny subject of housing supply which I think is probably the single, critical issue here. Paragraph 1.5 says that ten years ago we were building 42,700 houses a year. I think it means in the social sector. That has fallen to 21,000 a year in 2002–03. It goes on to say that you would need to increase the number by at least 17,000 in order to meet the flow of new households. I presume that is back up to about 40,000 a year. Can you confirm that is right? Can you confirm that that means all we will be doing is adding to the number of homeless households or households in need of self-contained housing; and that to reduce the number would mean we would have to go above that 40,000 or 38,000?

**Dame Mavis McDonald:** I do not think I have understood.

**Q118 Jon Trickett:** The last sentence of 1.5 says you would have to increase the number of social and affordable housing by at least 17,000 a year in order to meet the flow of new, needy households. Earlier, it said that we were doing about 21,000 a year. Am I understanding this right to say that we need 40,000 additional social and affordable houses each year just to prevent the list from growing, as this sentence appears to say?

**Dame Mavis McDonald:** This sentence says what would need to be done on top of the programmes that were in existence when Kate Barker wrote her report to meet the growing new need and not address the backlog.

**Jon Trickett:** Can you give the Committee your estimate? That makes 38,000, 21,000 plus 17,000. That is not to tackle the backlog at all. Can you give us your estimate of the additional number of properties above 38,000 which would need to be built each year in order to begin to eat into this 400,000 backlog?

**Dame Mavis McDonald:** No, because that is not the programme Ministers have set out in—

**Q119 Jon Trickett:** I have not asked you what Ministers have said; I have asked you to answer a question because this Committee would like to know what it would require in order to really tackle the backlog. I am asking you as a witness to tell us how many additional houses would need to be built to tackle the backlog.

**Dame Mavis McDonald:** At the risk of being repetitive, we do not accept that some of the figures in the Kate Barker assessment necessarily mean being met in that way but we would have to do a much more detailed survey to find out the truth of this 154,000 figure which she has put in here, using the Alan Holmans methodology, to have any real assessment of the reality of that figure.

**Q120 Jon Trickett:** In that case, can you provide the Committee with a note as to the Department's assessment of the number of houses which would

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need to be built, not simply to meet the growing demand for housing but also to eat into the backlog? What is your Department's assessment of that?

**Dame Mavis McDonald:** The Department is not currently analysing what its policies for housing supply are on that basis.

**Q121 Chairman:** Why not? This question is absolutely key. It is the only question in a sense that matters and I am staggered that you cannot answer it.

**Dame Mavis McDonald:** Because the proposals in the five year plan set out what the current priorities are for the next three years, which are about increasing the new supply which does get to Kate Barker's figures.

**Q122 Jon Trickett:** I am not asking you to describe what the Department is doing. I am asking you to provide your analysis of what would be required to begin to eat into the backlog as well as to meet the increasing demand. I am not asking you to describe what the ministers are doing or what the government's programme is. What is your analysis of the additional number of new homes in the social sector which would be required, first of all, to meet the increased demand which is growing every year because of household changes and, secondly, to begin to eat into the backlog? I do not think it is a difficult question.

**Dame Mavis McDonald:** We will give you a note on the way in which we assess housing need currently.<sup>7</sup>

**Q123 Chairman:** Why can you not answer the question now?

**Dame Mavis McDonald:** Because I do not know whether—

**Q124 Chairman:** Why do you not know?

**Dame Mavis McDonald:** Because it has not been a priority on the part of this Government or previous governments to assess that figure. This series by Alan Holmans was started in 1996.

**Q125 Chairman:** Why not?

**Dame Mavis McDonald:** Because it is not necessarily meaningful in terms of day to day policies and in terms of the capacity and resources available—

**Q126 Chairman:** Why is it not meaningful to know the amount of accommodation you need to deal with the homelessness problem?

**Dame Mavis McDonald:** We do know the amount of accommodation we need to deal with the homelessness problem as we define it but this figure here is not necessarily about the homelessness problem; it is about a picture of the totality of the housing market.

**Q127 Mr Curry:** I would like to come to the rescue because I think that reply is entirely reasonable. Homelessness is a movable feast. There is nothing religious about Barker. This is not the Old

Testament or the Book of Revelations. Barker was based on a series of household projections which go forward over 20 years or so. There is significant dispute about the methodology she used and about the census figures she used, which were not always the most up to date figures. There is a very big argument. This is a speculative report and it has never been anything more than a speculative report. Therefore, any government which said Barker is a religious certainty is out of its tiny mind. Dame Mavis may not agree with my assessment of Barker but it might be helpful if she said if she did or not.

**Dame Mavis McDonald:** I agree totally with your assessment that this is an estimate based on some methodologies about which there has been a lot of debate and which is very difficult to prove one way or the other. It is not an unreasonable way of doing it, but it is not necessarily a figure on which to set the policy parameters when ministers are choosing how to spend scarce resources.

**Q128 Mr Curry:** Have we an ethnic breakdown of homelessness?

**Dame Mavis McDonald:** Yes.

**Q129 Mr Curry:** Does that illuminate our debate in any way? Does it give us any insight?

**Ms Alafat:** We know it depends on where you are in the country, obviously. Not surprisingly, in areas where there is a very high BME (Black and Minority Ethnic) population they also have a very high level of statistics. For example, Newham, Hackney and other areas. Across the country, we also know that BME households appear to be three times as likely to become homeless.

**Q130 Mr Curry:** Which households?

**Ms Alafat:** Black and minority ethnic households. We have also just commissioned some research by Ethnos which is providing us with a lot more information about what has been going on out there and we will be publishing that within the next few months. That provides a much more detailed picture.

**Q131 Mr Curry:** Would you expect to draw conclusions as to the way policy is modified, adapted or progressed in the light of that? Is it an ethnic specific problem?

**Ms Alafat:** I would not conclude that. It is more about the diversity of need and the diversity of provision and does it meet the need. What we will be publishing alongside the results of the research are good practice guidance and guidelines so that we are promoting best practice.

**Q132 Jon Trickett:** It is easy to caricature our position and then destroy the caricature. That is what just happened. I did not ask any questions about Barker at all. We saw that Barker had come up with some predictions and they can be agreed with or disagreed with but that was not what I was asking. I was asking the Department what the Department's view was about housing supply, its projections about demographic change which will

<sup>7</sup> Ev 19

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determine the number of households and therefore what its calculations were about the necessary increase in the housing supply within the social sector over the next five or six years in order to tackle both the growing homelessness problem and to eat into the backlog. At no stage, if you refer to the verbatim, did I say anything about Barker at all.

**Dame Mavis McDonald:** In that case I misunderstood you because I thought you were asking me to take away the 400,000 figure and—

**Q133 Jon Trickett:** No. I was asking for the Department's estimates of what was needed in terms of housing supply.

**Dame Mavis McDonald:** The figures in terms of housing supply overall are also in Homes for All. There is a projection in the high demand areas of a figure of over 200,000 extra houses right across the private sector and the social rented sector and all points in between, which would bring the total new housing by 2016 in London, the south east and the eastern region up to 1.1 million.

**Q134 Jon Trickett:** Can I ask that Dame Mavis looks at my questions in the verbatim, if it could be sent to her, so that she can try to respond to the questions I have been asking rather than the questions I have not?

**Dame Mavis McDonald:** I apologise if that was not the answer to the question you just asked me but I genuinely believed that that was the question you just asked me.

**Q135 Mr Jenkins:** The Report says there are 100,000 households in temporary accommodation now compared with 40,000 in 1997 so we have lost 60,000. I thought Mr Trickett was asking you how you overcome that 60,000 gap that has grown and get it back to close to zero. It is as simple as that. It is not difficult.

**Dame Mavis McDonald:** I am sorry; I am really not clear now what I am being asked.

**Chairman:** That probably concludes our hearing. It has been a very interesting hearing. We know that there are 100,000 people in temporary accommodation and we look forward to reading your notes as to how we are going to resolve the situation. Thank you very much.

## Supplementary note from the Office of the Deputy Prime Minister

## Q39–40—HIGH LEVELS OF HOMELESSNESS IN YORKSHIRE AND THE HUMBER

Levels of homelessness are influenced by a variety of factors, including housing supply and demand, other structural factors like the economy, wider social and personal factors including family and relationship breakdown, and changes in the homelessness legislation and its implementation by local authorities.

The official statistics on statutory homelessness, published quarterly by ODPM, measure the “flow” of homelessness cases—that is the number of households approaching local authorities and being accepted for help during each quarter—and the “stock” of households who, having asked for help, have been placed in temporary accommodation and are still in such accommodation at the end of the quarter, waiting for a settled home.

The use of temporary accommodation is heavily concentrated in regions which are known generally for higher levels of housing demand. The number of households in temporary accommodation in the Yorkshire and the Humber region is relatively low. Numbers and percentages for each region at 31 December 2004 are set out in the table below:

**Table 1: Households in accommodation arranged by local authorities in England under the homelessness legislation, by Government Office region, as at 31 December 2004.**

<i>Region</i>	<i>H'holds in TA at 31/12/04</i>	<i>% of England total</i>
North East	840	1
North West	2,730	3
Yorkshire & the Humber	2,220	2
East Midlands	2,870	3
West Midlands	2,600	3
East of England	8,350	8
London	61,670	61
South East	13,340	13
South West	6,420	6
England	101,030	100

The flow of homelessness is not so heavily concentrated in areas of higher demand for housing. Numbers, rates per 1,000 households and percentages for households accepted by local authorities as unintentionally homeless and in priority need over the course of 2004 are set out in the table below. This shows that, while London has the highest number and rate per 1,000 of homelessness acceptances in England, Yorkshire and the Humber has the third highest rate per thousand, and the South East has the lowest rate per 1,000.

**Table 2: Unintentionally homeless households in priority need accepted by local authorities in England during 2004, by Government Office region.**

<i>Region</i>	<i>Homelessness acceptances in 2004</i>	<i>Acceptances per 1,000 h'holds</i>	<i>% of England total</i>
North East	8,510	7.8	7
North West	17,720	6.2	14
Yorkshire & the Humber	14,590	6.9	11
East Midlands	9,570	5.4	7
West Midlands	15,080	6.9	12
East of England	10,680	4.6	8
London	28,050	8.7	22
South East	13,460	4.0	11
South West	10,100	4.7	8
England	127,760	6.1	100

Together with the North East, the Yorkshire and the Humber region experienced the highest percentage increase in homelessness acceptances in recent years, nearly doubling between 1999 and 2003, although numbers fell (as they did nationally) in 2004. The statistics indicate that the most significant increases occurred amongst households that didn't contain children (possibly an impact of the wider priority need categories brought into force in 2002, covering groups more likely to consist of single person households) and former asylum seekers given leave to remain. The level of acceptances in Leeds and Sheffield has had a significant impact on the figures for the region as a whole.

Overall, the relatively high level of homelessness acceptances in the Yorkshire and the Humber region confirms the general understanding that homelessness can be caused by a variety of factors that go beyond housing demand and supply, and that effective responses to homelessness require more than housing.

#### Q51–52–53—CHILDREN'S SOCIETY RESEARCH ON YOUNG RUNAWAYS

The Children's Society research report "Living on the Edge: the experiences of detached young runaways" was launched on 2 March. The research involved a series of 23 interviews with young people aged 13 to 21 who were categorised as having run away from home, been thrown out or abandoned by parents before the age of 16. It has been published as part of the Children's Society's Safe and Sound campaign, which is calling for a network of emergency accommodation and local authority plans for children who run away.

The Green Paper, "*Every Child Matters*", published in September 2003 sets out the outcomes that Government wants to see for all children. They need to be safe, healthy, enjoy and achieve, make a positive contribution to their community, and have the opportunity to enjoy economic well-being. The Children Act 2004 provides a new framework to enable these outcomes to be achieved.

Our strategy for tackling homelessness, "*Sustainable Communities: settled homes, changing lives*", published on 14 March 2004, sets out in section 4—Support for people when they are vulnerable—the action ODPM is taking in partnership with the Department for Education and Skills to help children and young people at risk of homelessness.

This includes ensuring effective joint working between housing and social services in the development of Children's Trust arrangements. Under new arrangements being implemented under the Children's Act 2004, the Director of Children's Services will be responsible for ensuring that local children's services meet the needs of children and young people while an Integrated Inspection Framework will ensure that children's services are meeting the required standards.

ODPM's Homelessness and Housing Support Directorate is investing £200,000 over two years to secure the future of the London Refuge for Runaway Children, which has provided accommodation and support for over 2,000 child runaways since 1994.

April 2005 will mark the beginning of a second year of a community based refuge pilot project, funded by the Department for Education and Skills. There are six projects throughout England piloting a range of approaches to help detached young people, including help lines, family mediation and outreach work. The pilots are providing some promising evidence on earlier and more effective interventions with young people.

The pilots are all able to provide different options for emergency accommodation, for example with family-support foster carers, emergency beds in children's homes, or in a refuge service provided by a voluntary sector agency, all conforming to established care standards.

Q98—HOMELESSNESS IN WALES

The National Audit Office are leading on the production of a supplementary note to respond to the Committee's questions about homelessness in Wales and this will require further discussion with colleagues in Wales.

Q112–113—HOMELESSNESS STRATEGIES, SOCIAL SERVICES INVOLVEMENT AND FUNDING

Figure 29 of the Comptroller & Auditor General's Report, "*More than a roof: Progress in tackling homelessness*", sets out a number of areas for further development identified in local authorities' homelessness strategies. These included a finding that Social Services often did not take part in the reviews of homelessness on which strategies are based, and that four out of ten authorities had failed to identify the resources they need to fulfil their strategy.

These findings were drawn by the Comptroller & Auditor General from an evaluation of homelessness strategies conducted by Housing Quality Network Services, which ODPM commissioned and which was published in November 2004 ("*Local Authorities' Homelessness Strategies, Evaluation and Good Practice*"). The evaluation was commissioned and designed expressly to offer local authorities and others a picture of how they had tackled their new responsibilities under the Homelessness Act 2002 to conduct a review and develop a homelessness strategy. In particular, the evaluation aimed to aid future service development.

While Figure 29 of the Comptroller & Auditor General's Report highlights the areas where a need for further development has been identified, it is important to note that this is set in a context of considerable progress. In their evaluation, Housing Quality Network Services found that:

"The exercise has been an impressive undertaking that, at best, drew in the views of service users, other agencies and authorities and other council departments as never before to focus on tackling homelessness."

And that:

"Overall, it has been a very positive process, and the universal view among participants in a workshop as part of the evaluation was that, although the task had been quite a difficult one, it was highly useful and they felt much had been gained by it, making a difference to the homelessness picture across the country."

The Comptroller & Auditor General's Report acknowledges this progress too, finding that:

"In relation to local progress and strategy making:

- strategies have helped to raise the profile of homelessness issues and the need to tackle them;
- strategies have led to stronger partnerships in many areas;
- strategies have led to changes in approach".

We are using the findings from this evaluation and the Comptroller & Auditor General's recommendations to work with local authorities to ensure that good practice examples become more widespread as strategies are reviewed and renewed.

Existing statutory guidance on homelessness, issued in July 2002, makes clear the statutory requirements on co-operation that exist between local housing and social services authorities.

ODPM's Homelessness and Housing Support Directorate has worked with a number of housing and social services authorities to develop more effective joint approaches and will continue to do so. This work is looking at, for example, joint housing and social services protocols for dealing with homeless 16 and 17 year-olds and families with children who have become homeless intentionally.

This will be under-pinned by our joint work with the Department for Education and Skills on statutory guidance on homelessness and children's services in connection with housing and social services duties and functions, as set out in our recent strategy for tackling homelessness, "*Sustainable Communities: settled homes, changing lives*" and in the Government's recent response to the ODPM Select Committee report on homelessness.

During the development of local homelessness strategies in 2002–03, and subsequently, all local authorities have received homelessness grants from ODPM. These have provided an additional resource for them to set up and provide new services to reduce rough sleeping, avoid the use of B&B hotels as long-term accommodation for families, and achieve other positive outcomes, including more effective prevention of homelessness. In many cases, ODPM grants have enabled authorities to take forward initiatives identified

in strategies where other appropriate sources of funding had not been identified. From a survey in 2002–03, we know that local authorities were using homelessness grants to adopt a number of new approaches to prevention:

- 124 were increasing their own staff resources to improve services
- 108 were providing support targeted at young people
- 107 were establishing/expanding new rent deposit schemes
- 97 were improving the provision of advice on housing options and homelessness prevention
- 80 were establishing or expanding mediation services, particularly for families.

Many of these approaches are delivering savings for local authorities which may be re-invested in improved homelessness services. The Comptroller & Auditor General's Report says that "moving people out of bed and breakfast accommodation has delivered cost savings for local authorities, which may amount to £40–£50 million each year."

In another ODPM survey, local authorities estimated that planned action on homelessness prevention in 2003–04 would enable them to save an average of £164,000 per authority while, for the same year, 82 local authorities had established "invest to save" budgets with an average value of £143,000 per authority.

Our homelessness strategy, "*Sustainable Communities: settled homes, changing lives*" confirms a 23% increase in homelessness grants to local authorities and voluntary sector agencies, rising to £74 million in 2007–08. We have also said that future allocations will be used to support action that meets our aim to prevent homelessness and halve use of temporary accommodation by 2010, that we will consider ways in which greater certainty can be given on likely grant levels beyond a single financial year, and that we will look for new ways to encourage innovation.

#### Q123–125–127—HOUSING NEED

The Review of Housing Supply, "*Delivering Stability: Securing our Future Housing Needs*", conducted by Kate Barker reinforces ODPM's analysis, calling for a step-change increase in housing supply.

Several of the Committee of Public Accounts members' questions focused on Figure 7 on page 29 of the Comptroller and Auditor General's Report, "*More than a roof: Progress in tackling homelessness*". This repeated a number of estimates of housing need, drawn from Table 5.2. on page 93 of the Barker review, which drew on work by Alan Holmans from 1996 to estimate the backlog of households in housing need.

The Barker review itself says of the Holmans work that "It is very broad: it is not necessarily just a measure of housing undersupply" and that it is "largely a frictional backlog, which could be reduced by better use of the existing housing stock and more rapid administrative systems". Not everyone regarded as being in housing need will need social housing. That is why it is not appropriate to compare the backlog estimate only with the number of new social rented homes being provided.

The Barker review included estimates of newly arising need as well as the backlog of housing need. It concluded that an extra 17,000 social rented homes would be needed per year to deal with newly arising need and 23,000 to tackle new and backlog need. However, the review also recognised, in paragraph 5.36, that:

"New units and the investment required to deliver them could not be delivered immediately due to capacity constraints and the need to identify where supply can best be located to meet demand. Increasing social housing provision should therefore be managed in a staged way to ensure capacity to deliver and value for money are maintained."

Investment decisions reached in the 2004 Spending Review provide for a good start on this managed increase in social housing supply, enabling increases that deliver an extra 10,000 social rented homes by 2007–08.

However, new and existing housing need will be met through the whole range of measures included in ODPM's recent five year plan for housing, "*Sustainable Communities: Homes for All*". These include:

- delivering 1.1 million new homes in the wider South East by 2016
- helping into home ownership 80,000 households, most of whom are currently renting privately or living with family—and, as announced in the Budget, work to use the resources of the private sector to bolster ODPM's low cost home ownership schemes could help a further 20,000 (subject to the outcome of our discussions with the Council of Mortgage Lenders)
- introducing an extended Homebuy scheme—there are up to 300,000 council and housing association tenants unable to afford the Right To Buy or Acquire who might be able to afford to buy a share of their home under such a scheme
- increasing investment in new social rented homes to provide 75,000 homes in total over the next three years, including 6,300 through the Housing Private Finance Initiative—a 50% increase in supply delivering an extra 10,000 homes per year by 2007–08
- making better use of existing housing—for example by expanding choice based lettings, improving mobility through *moveUK*, improving the quality and availability of private rented homes (including action on empty homes to bring 25,000 back into use by 2010)

- increasing funding for action to prevent homelessness by 23%, up from £60 million now to £74 million by 2007–08—a total of £200 million over the next three years

Through these measures, the Government aims to offer everyone the opportunity of a decent home at a price they can afford.

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### Supplementary note from the National Audit Office

#### QUESTIONS 97–98: THE ROLE OF THE HOMELESSNESS COMMISSION IN WALES

1. The Commission was established in January 2001, and comprised three Assembly Members, representatives of the Welsh Local Government Association and senior staff from voluntary sector groups working with the homeless.

2. It was established as a “task and finish” group (ie it would perform a discrete task and then disband), whose findings were to be reported to the Minister for Finance, Local Government and Communities.

3. Its terms of reference were to advise the National Assembly on:

- Delivering the existing objectives to reduce the number of families in temporary accommodation, eliminate rough sleeping and improve access to health services for homeless people.
- Taking forward the recommendations on homelessness put forward by the National Assembly report “Rough Sleeping in Wales” and by Housing Strategy Task Groups.
- Delivering local homelessness strategies in all Welsh local authorities.
- Setting targets.
- Measuring homelessness and rough sleeping.
- The options for long-term funding of homelessness services.

4. The Commission produced its report in January 2002, making 91 recommendations across a range of topics. The Assembly welcomed (rather than “endorsed”) the report, and produced a response in April 2002.

5. Ongoing responsibility for tackling homelessness lies with the Housing Directorate, which is part of the Social Justice and Regeneration Department. Its role with regard to homelessness is directly comparable with that of the Homelessness and Housing Support Directorate of ODPM—it issues guidance, provides good practice advice and distributes funding (although most of this funding has historically been to voluntary sector bodies rather than local authorities—see the response to questions 105-106 below).

6. One of the key recommendations arising from the Commission’s report was that a whole-of-Wales homelessness strategy should be drawn up. A strategy was formally adopted in March 2003, and was the first of its kind in Britain. It covered such issues as: strategic objectives; relationships with local strategies; preventive measures; access to housing; resettlement, support and access to services; and helping disadvantaged groups.

7. However, homelessness continued to rise after the Strategy was adopted. The Minister for Social Justice and Regeneration therefore requested a review of the Strategy in Autumn 2004, and a Homelessness Strategy Working Group was set up in November 2004 to monitor trends in homelessness and the Welsh housing market.

8. Officials in the Housing Directorate expect a revised strategy to be presented to the Assembly in July 2005. Legislation to restrict the use of Bed & Breakfast accommodation for homeless people is likely to follow later in the year (see the response to questions 102/103 below).

#### QUESTIONS 99–101: THE RISE IN NUMBERS ACCEPTED AS BEING HOMELESS AND IN PRIORITY NEED

9. The Housing Directorate believes that the rise is due to a combination of:

- Housing market factors—perhaps responsible for two-thirds of the increase; and
- Additional categories included in the Homeless Persons (Priority Need) (Wales) Order 2001 (“the Priority Need Order”)—responsible for the remaining third.

10. It is generally believed that housing market trends in Wales follow those in England, but with a time lag of around two years. Therefore, to the extent that homelessness is driven by housing economics, the continuation of a price boom in Wales after the market had peaked in England will have been a contributory factor. Another potential factor is that the provision of new social housing stock has declined from around 3,000 units in 1997–98 to just over 1,000 in 2003–04, and that the Right to Buy scheme reduces the number of social rented properties by 3,000 to 4,000 properties each year.

11. In the Priority Need Order, the Assembly included extra categories of “priority need” compared to the definitions being used in England. Again, this will have contributed to the steep rise in homeless cases, since it additionally placed in priority need all those who were:

- A care leaver, or person at particular risk of sexual or financial exploitation, aged 18–21;
- 16 or 17 years old;
- fleeing actual or threatened domestic violence;
- homeless after leaving the armed forces;
- homeless after being released from prison.

#### QUESTIONS 102–103: THE USE OF BED & BREAKFAST ACCOMMODATION

12. The NAO Report states that 691 households were in Bed & Breakfast accommodation at 31 March 2004. However, more recent analysis shows that this figure had risen to 807 households by June 2004 (a rise of 17%). Of these, some 196 were families with children, compared to 167 in March (again, a rise of 17%).

13. The Assembly recognises that it has been slower than England in dealing with the growing numbers of households in Bed & Breakfast accommodation. The national Homelessness Strategy aims to minimise the use of such accommodation, and to eliminate it for families with children. But while local authorities have a Code of Guidance which encourages the use of alternative types of accommodation, there is little direct leverage currently available to make this happen.

14. In response, the Assembly plans to introduce new legislation to support the reduction in use of Bed & Breakfast accommodation. This is likely to be introduced in two stages:

- The use of Bed & Breakfast accommodation to be restricted for families with children, pregnant women and 16–17 year olds. Restrictions will depend on the “standard” of the property. Where the property is only of basic standard, residence will be limited to a maximum of two weeks. Residence in higher standard properties will be allowed for up to six weeks. However, tenants will be allowed to remain in the accommodation if they feel it is more appropriate due to location, family ties, etc. The effective date of this legislation is expected to be April 2007, and the Assembly projects a two-thirds reduction in the use of Bed & Breakfast accommodation as a result.
- The restriction to be applied to all priority need groups by April 2008, and the time limit for residence in higher standard properties to be reduced to two weeks.

#### QUESTIONS 105–106: THE GRANT REGIME TO TACKLE HOMELESSNESS

15. In 2004–05, the Homelessness and Housing Support Directorate in England allocated just under £45 million to local authorities to promote improved practices in the prevention and reduction of homelessness. While the amount allocated to each authority varied considerably, based mainly on historic levels of homelessness, this represents an average of £127,000 per authority. It also provided £13.6 million to a range of voluntary sector bodies.

16. By contrast, the Assembly’s homelessness grant programme, based upon Section 180 of the Housing Act 1996, is used to fund voluntary organisations. The programme allocated £5 million of funding in 2003–04. While the statistic should clearly be treated with some caution, this would equate to £227,000 for each of Wales’ twenty-two unitary authorities. The Assembly based its funding decisions on projects identified by local authorities to be of strategic value. The programme provided over £1.2 million on new projects, covering such activities as housing advice, bond schemes for private sector landlords, night shelters, housing for ex-prisoners and school outreach.

17. Local authorities often need a financial boost to kick-start their efforts to find alternatives to Bed & Breakfast accommodation. The Assembly has recently earmarked £500,000 for each of the next two years for this purpose, equating to around £25,000 per authority per annum. Authorities have been invited to bid for this funding, based on the merits of their local homelessness strategy and action plan to tackle Bed & Breakfast use. In 2003–04, Welsh authorities themselves spent £8.6 million on homelessness, compared to only £4 million in 2000–01.

National Audit Office  
Regions, Regeneration & Renewal VFM Area

31 March 2005